

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1469

Date of Decision: 25 October 2019

Complaint

Following the opening of the market in April 2017, the customer's account migrated from the Wholesaler to the company with a balance of £2,491.28. The customer does not understand how the Wholesaler calculated the charges and believes that she has been overcharged. The customer is also dissatisfied with the level of customer service she has received from the company; it has repeatedly failed to honour promises to return her calls and failed to put her account on hold during the complaints process, resulting in the customer's business and her colleagues receiving calls from a debt recovery agent. The company has made goodwill payments in recognition of customer service failings, but the amount paid is inadequate. The customer wants the company to reduce the migrated charges on her account to accurately reflect the water consumption at her premises prior to 1 April 2017, and ensure her bills are accurate in the future.

Defence

The customer's account, with a closing balance of £2,491.28, migrated to the company from the Wholesaler on 1 April 2017. The customer disputed the closing balance, so the company asked the Wholesaler to investigate the matter. The Wholesaler's investigation concluded that prior to 5 February 2016 the customer's charges were calculated using readings from an incorrect meter, but the problem was rectified by exchanging the meters. A new revised invoice was generated showing a balance of £2,491.28. The Wholesaler does not accept that the customer has been overcharged; in fact, the Wholesaler believes that the customer has been undercharged by 3984m³ of water and, therefore, will not reduce the migrated balance. The company has fulfilled its obligation to raise the customer's complaint with the Wholesaler; it has sent multiple requests to the Wholesaler asking it to review the customer's account, however, the Wholesaler maintains its position that the charges are correct and payable. The company apologises that the customer feels its customer service has not met the standard she expected, however, it sent the customer regular email updates on the progression of her case and compensation was paid for service failings.

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The company has not made an offer of settlement.

Findings

The Wholesaler, not the company, was responsible for assessing the charges applicable to the customer's account before it was transferred to the company on 1 April 2017. Thereafter, the company has been responsible for billing the customer for the migrated balance and subsequent water consumption. As the Wholesaler is not a party to this case, I am unable to adjudicate on the accuracy of the charges applied to the customer's account before 1 April 2017, or on the Wholesaler's decision not to reduce those charges. It therefore follows that the customer's claim to have her migrated balance reduced cannot succeed. Regarding the customer's complaint about the standard of the company's customer service, I acknowledge that the company failed to reply to the customer within its guaranteed standard timescale on one occasion, and also erroneously referred the customer's account to a debt recovery agent during the complaints process. However, whilst I find that the company did fail to provide its service to the standard reasonably expected by the average customer in this regard, I consider the goodwill and GSS payments already paid fairly compensate the customer for the company's failures. Therefore, I make no further direction to the company regarding this matter.

Outcome

The company does not need to take any further action.

The customer must reply by 22 November 2019 to accept or reject this decision.

(£2491.28 divided by £30.80 = 80 months). However, her business only moved to the premises in May 2013, so it was not in occupation for 80 months prior to 12 September 2016.

- She is confused as to how the Wholesaler has calculated the charges and does not think the £969.38 she has paid to date for water charges has been taken into consideration.
- The Wholesaler asserts that the old water meter was likely under-recording and so disputes her claim that she has been overcharged.
- She also disputes the £180.00 debt collection fee that has been applied to her account during this dispute, on the basis that she had to stop making payments in order for her dispute to be considered. She has now arranged for payments to resume for the current bills.
- She is unhappy with the customer service she has received from the company; it has repeatedly failed to honour promises to return her calls and failed to put her account on hold during this dispute, which resulted in the customer's business and colleagues receiving calls from a debt recovery agent pursuing the customer for the payment of charges.
- The company has made two goodwill payments of £20.00 each in recognition of customer service failings, but this is inadequate.
- She wants the company to reduce her bills in accordance with the actual water usage at her premises and ensure that her bills are accurate in the future.

The company's response is that:

- The customer's account migrated from the Wholesaler when the market opened on 1 April 2017. The closing balance on the customer's account with the Wholesaler was £2,491.28 debit, which covers the period from 21 August 2015 to 12 September 2016, and was based on water charges recorded on meter number 07[]6.
- However, the Wholesaler has confirmed that prior to 5 February 2016 it was incorrectly charging the customer for water usage recorded on meter number 07[]8. The Wholesaler corrected the issue by exchanging the meters and created a new revised invoice, resulting in the closing balance of £2,491.28.
- The customer disputed the balance on the basis that her closing invoice failed to reflect her normal half yearly charges. She wanted the matter investigated by the Wholesaler, so it asked the Wholesaler to consider the customer's complaint.
- The Wholesaler investigated and found that the billable reads gave an Average Daily Consumption of 0.30 cubic meters between the installation date of 16 November 2006 and the exchange date of 5 February 2016. After the meters were exchanged, the customer's Average Daily Consumption increased to 1.09 cubic meters between 05 February 2016 and 10 August

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2018. Therefore, the Wholesaler concluded that the customer had been undercharged by 3984m³ of water on meter 07[]8 and refused to reduce the customer's charges.

- It has fulfilled its obligation to raise the customer's complaint with the Wholesaler; it has sent multiple requests to the Wholesaler asking them to review the customer's account, however, the Wholesaler maintains its position that the charges are correct and payable.
- The customer's account currently shows a debit of £3,696.30. It confirms that the customer has made four payments to the company since the market opened on 1 April 2017 and these have been credited to her account.
- It apologises that the customer feels its customer service has not met the expected standard, however, it sent the customer regular email updates on the progression of her case and compensation was paid for service failings; a goodwill payment of £40.00 for the length of time the dispute has taken to resolve, a further £20.00 goodwill payment for the account being erroneously referred to a debt collection agency, and a GSS payment of £20.00 for failing to respond to the customer within ten working days. It denies any further liability.

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?

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1. In order to make a decision in this matter, I must clearly distinguish between actions taken by the wholesaler and the duty owed by the retailer to its customers. Since the water market in England opened up to retailers in April 2017, all non-household customers 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, an adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, as the party to the case, has responsibility, and not those things for which the wholesaler has responsibility. This includes, however, the effectiveness with which the retailer has operated as an intermediary between the wholesaler and the customer.
2. Having reviewed the evidence provided by both parties, I find that the company is the customer's retailer and is responsible for billing, accounting and customer services. RST Water is the customer's wholesaler and, as such, is responsible for the maintenance and repair of the water and sewerage assets. However, the Wholesaler, not the company, is responsible for assessing charges for water consumption at the customer's premises prior to 1 April 2017, and agreeing adjustments to those charges, and the company is responsible for billing the customer for any migrated charges and water usage from 1 April 2017.
3. The customer wants her migrated balance reduced on the basis that it does not accurately reflect her water consumption. Therefore, the Wholesaler's calculation of the charges applied to the customer's account prior to 1 April 2017, and its decision not to reduce those charges, lie at the heart of this dispute.
4. However, as explained above, I am only able to make findings relating to the responsibilities of the parties to this case. As the Wholesaler is not a party to this case, I am unable to adjudicate on the accuracy of the charges applied to the customer's account before 1 April 2017, or on the Wholesaler's decision not to reduce the customer's closing balance. Whilst I fully appreciate that my decision will disappoint the customer and is far from the outcome she hoped for, it therefore follows that the customer's claim in this regard cannot succeed.
5. The customer raises several other issues which concern the responsibilities of the company and, as such, can be considered in this adjudication.
6. Firstly, in the customer's comments on defence, the customer raises a new issue relating to a debt collection referral fee of £180.00 that the company has applied to her account. It is

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unclear whether the customer is seeking a refund of this fee or not but, if so, the company has not had the opportunity to defend this claim. Rule 5.4.3 of the Water Redress Scheme Rules states:

“If the customer wishes to make any comments on the company’s response, these must be submitted within 2 working days of receipt of the company’s response. The customer cannot introduce new matters or evidence in their comments on the company’s response; the adjudicator will disregard any such material if submitted. Upon receipt of any comments from the customer, WATRS will send a copy of the comments to the adjudicator and will also send a copy to the company for their information.”

Therefore, I am prohibited from considering this matter. However, if it appears that the fee was charged during the customer’s complaint journey (i.e the company referred the matter to a debt collection agency during either their internal complaint process, CCWater intervention or WATRS) the water company may consider removing this fee from the account. This is not to say that the fee may be charged again once the complaint process has completed.

7. Secondly, in the customer’s comments on the company’s defence, she questions whether the payments she has made on her account have been credited. This issue is related to the account balance regarding which the customer seeks a reduction and, therefore, I find that I am able to consider it. The company has supplied a statement of the customer’s account at Figure 5 in its defence. Having considered this evidence, on the balance of probabilities, I accept that payments have been credited and find that I need make no direction to the company in this regard.
8. Finally, the customer complains about the standard of the company’s customer service, although I note that the customer has not requested a specific remedy in this regard. Having considered the evidence submitted by the parties, and in particular the customer service emails submitted by the company, I find that the company has effectively operated as an intermediary between the wholesaler and the customer.
9. However, the substance of the customer’s complaint is that the company repeatedly failed to return her calls and referred her account to a debt collection agency when it was supposed to be on hold. I have considered the evidence presented and accept that the company failed to respond to the customer within the guaranteed standards timescale on one occasion, and

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erroneously referred the customer's account to a debt collection agency resulting in her business and colleagues receiving calls from the debt collection agency. However, while I do accept that the company's service fell below the standard reasonably expected by the average customer, I consider the goodwill and GSS payments already made with regard to these issues fairly compensate the customer for the company's failures. Therefore, I make no further direction to the company in this regard.

Outcome

The company does not need to take any further action.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 22 November 2019 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.

KS Wilks

Katharine Wilks

Adjudicator

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