

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1613

Date of Decision: 03/10/2019

Complaint

The customer considers the bills issued by the company are incorrect. The company has not correctly applied the allowance for water not returned to the sewerage network.

The customer considers the company has not correctly applied credits to his account. The customer seeks to have any credit repaid to him.

The customer seeks compensation in the sum of £25,000.00.

Defence

The company considers the bills it has issued are correct and incorporate an allowance of 30% for water not returned to the sewerage network.

The company has credited the customer's account in the sum of £120.00 for failure to meet the expected standards of service.

Findings

The company failed to provide its services to the standards expected. The company has compensated the customer in respect of its failure to meet service standards.

The customer is justified in his claim that the bills issued by the company were incorrect.

The company has caused inconvenience to the customer as a result of the time taken to pursue the matter.

Outcome

The company shall issue a detailed statement showing all payments received from the customer from 3 March 2016 to 19 September 2019 and reconcile this with bills issued.

The company shall re-pay to the customer the full amount of any credit on the customer's account as at 31 March 2019.

The company shall pay the customer the sum of £150.00 as compensation.

The customer must reply by 31/10/2019 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1613

Date of Decision: 03/10/2019

Party Details

Customer: []

Company: []

Case Outline

The customer's complaint is that:

- Bills issued by the company are incorrect. The allowance for water returned to the sewer network has not been correctly applied and the customer's credit has not been applied.
- The customer has been moved from a residential tariff to a commercial tariff. The customer wishes to revert to a residential tariff.
- The customer seeks to have a reasonable level of service from the company and for the company to provide accurate bills.
- The customer seeks to have the amount he is in credit repaid in full.
- The customer seeks compensation for time spent in pursuing his complaint with the company in the amount of £25,000.00.
- The customer notes in his reply to the company's response that he is now in credit in the amount of nearly £400.00. The customer states this is close to the sum he considers he is owed.

The company's response is that:

- The company has ensured that bills produced following market opening in April 2017 reflect the non-return to sewer (NRTS) allowance of 30%.
- The company acknowledges it has failed to provide the standards of service required under the Guaranteed Standards Scheme (GSS) on a number of occasions and has applied the sum of 120.00 to the customer's account.

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- The company has apologised for the length of time the complaint has been ongoing.

How is a WATRS decision reached?

In arriving at my decision, I have considered the following key issues:

- a. Whether the company failed to provide services to the customer according to legislation and to standards reasonably expected by an average person.
- b. Whether or not the customer has suffered any financial loss or other disadvantage as a result of a failing of the company.

In order for the customer's claim against the company to succeed, the evidence available to the adjudicator must show on the balance of probabilities that the company has failed to provide its services to the standard which would be reasonably expected and 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 I have not considered it in reaching my decision.

How was this decision reached?

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 (the company) to its customers. Since the water market in England opened up to retailers in April 2017, all non-household (NHH) customers have been moved to a wholesale/retail split service. As a result, an NHH 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. The customer has outlined that his business makes use of water drawn from the supply system but much of that water is not returned to the sewerage network. The customer states he has a sub meter installed to measure the water used by the business and that previously his billing in respect of sewerage had been assessed using readings from the sub meter.

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3. The customer states that in 2016, his billing was taken over by the company and that, rather than using readings from the sub meter, the company has used a flat rate of 30% for his sewerage charges. The customer states that he is happy with this percentage as a means of charging.
4. The customer states that a bill received on or around 19 April 2018 was incorrect. The customer notes he records the water used for his business and knows the bill is incorrect.
5. The customer states that the company has revised, withdrawn and reissued bills on at least eight occasions and on each occasion the bills have been incorrect.
6. The customer states that he has supplied his readings to the company on a number of occasions but that there has been no continuity in his dealings with the company and the company's agents have refused to examine his readings.
7. The company states that the customer is not satisfied with the way the company has billed the customer with regard to his NRTS allowance and that the customer believes he has been incorrectly charged.
8. The company states that the policy on NRTS is determined by the wholesaler. The company has provided details showing how the NRTS allowance has been assessed. This shows the amount charged for volume returned to the sewer has been assessed as 30% of the volume of water used. This means that for each 100 m³ of water consumed, 30 m³ are assumed to return to the sewer and the unit charge for sewerage is applied to this amount.
9. Since the NRTS allowance is decided by the wholesaler, I am not able to make any determination in relation to how the allowance is decided. However, it is noted that the customer has stated that he is happy with the application of 30% as a NRTS allowance.
10. The company states that it has ensured all bills it has produced reflect the NRTS of 30% but that the customer remains in dispute, believing that his bills are incorrect. The company has provided a breakdown of sewerage charges and copies of bills which the company states shows it is applying an allowance of 30% in respect of the customer's sewerage charges.

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11. The company states that following a review of the case, it has credited the customer's account in the amount of £120.00 in respect of failures it has identified under the GSS. The company also states it has applied the sum of £19.93 to the customer's account as a gesture of goodwill to clear an outstanding bill.
12. Examination of the copies of the bills provided by the company show that volumes assessed for sewerage have been taken as 30% of the water consumption volumes. A number of the bills include a statement "Chargeable sewage volume @30% of water used".
13. The customer has provided his calculations for the amounts he considers he should have been billed for a period from 4 March 2016 to 12 August 2019. According to the customer's calculations, the total water consumption during the period is 2,082 m³ and the total amount billed for that period should be £5,824.87. The customer also states he has made regular monthly payments during that period which total £5,660.00. The customer states he was in credit at the start of the period in the amount £655.15 and therefore, taking account of the billing and payments made, he states he should have a credit at the end of that period of £490.28.
14. I note that the customer's calculations have not applied the NRTS allowance in the manner outlined by the company. The customer has taken the volume of water consumed and deducted 30% from that amount to calculate the volume returned to the sewer, rather than calculate the volume returned to the sewer as being 30% of the total water consumed. For example, for each 100 m³ of water consumed, the customer's calculations assume 70 m³ are returned to the sewer.
15. I have re-assessed the customer's calculations taking the volume returned to the sewer as 30% of the volume of water consumed. I have retained all the other figures used by the customer. From this I calculate the total the customer should have been billed for that period as £4,560.63
16. I have examined the consumptions and charges made by the company, taken from the copies of bills provided by the company. For the period from 3 March 2016 to 9 August 2019, the total water consumption billed is 2,085 m³. The charges for this period shown on the company's bills to the customer total £4,555.31.
17. Comparing the customer's calculations, which I have adjusted to apply the NRTS allowance to be 30% of the water consumed, with the bills provided by the company, the difference in

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amount is not significant. The periods are approximately the same and the consumption is approximately the same. The small difference in amount is likely to be due to differences in the period and consumption and differences in unit charges used by the customer and company.

18. My conclusion from this analysis is that the charges applied by the company through their current bills are consistent with the calculations made by the customer, once the customer's calculations are adjusted to apply the NRTS allowance to be 30% of the total volume of water consumed. I find the company is applying the NRTS charges correctly on the bills provided.
19. It is noted that the bill dated 25 February 2019, which I have used in the comparisons, incorporates revisions to previous bills.
20. The customer's bill dated 25 February 2019 incorporates a number of bills covering a period from 4 March 2016 to 9 February 2019. I note this includes a period prior to the opening of the market in 2017. However, the company has issued a bill for that period and I have therefore taken it that the company has assumed responsibility for bill administration during that period.
21. The bills show the total value of bills withdrawn over the period from 4 March 2016 to 9 February 2019 as £4,621.95 and a total of revised bills issued as £3,961.08. This represents a reduction in bills of £660.87. The majority of this reduction is in the bill for the period 4 March 2016 to 31 March 2017, which shows a revised bill amount as £1,557.85 and the withdrawn bill amount as £2,216.63, a reduction of £658.78.
22. On 4 January 2019 the customer sent an email to the company stating that the bill for the period from 4 March 2016 to 1 April 2017 did not take account of the NRTS allowance. The customer also notes that the NRTS allowance had only been granted since 2017 although he had been operating on the same principle since 2010.
23. I do note that, had the sewerage volume been charged at the default level of 90% of water volume rather than 30%, the bill for 4 March 2016 to 1 April 2017 would have approximately £653.00 higher. This is close to the adjustment that has been made to the bill.
24. The company states in an email sent on 26 February 2019 that it has revised all of the customer's invoices from March 2016 and that this has resulted in a credit to the customer of

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£660.87. The company states that it has applied the NRTS allowance of 30% throughout the entire period the customer has been billed by the company.

25. The company has stated it applied the NRTS allowance to all bills as a gesture of goodwill. From the figures above, it is reasonable to conclude that the reduction in the bill for the period 4 March 2016 to 31 March 2017 was due to the original bill not reflecting the NRTS allowance of 30% and that the bill was therefore incorrect.
26. The customer has stated that he has made regular payments each month since the company took over his account. According to the information in the customer's calculations, the total amount paid by the customer during the period 3 March 2016 to 9 August 2019 was £5,660.00.
27. A simple comparison between the total payments of £5,660.00 stated to have been made from 3 March 2016 to 9 August 2019 and the total of £4,555.31 for the bills issued over approximately the same period show the customer should be in credit by approximately £1,100.00. To this should be added any credit at the start of the period. The customer states this is £655.15.
28. From the analysis above, I find the customer's claim that bills issued by the company were incorrect to be justified.
29. The company has provided a spreadsheet as an attachment to an email sent 3 April 2019. I have been unable to reconcile information within this spreadsheet with the bills issued as dates and amounts on the spreadsheet for specific invoice numbers differ from the dates and amounts on the bills provided in all but three instances. The spreadsheet shows an initial credit of £655.15, which confirms the customer's statement that he had a credit of £655.15 at the start of the period. The spreadsheet also shows payments received from the customer from 28 March 2017 to 25 February 2019 totalling £3,570.00.
30. I am, however, unable to verify all the payments the customer states were made as I have not seen evidence of payments over the full period from 3 March 2016 to 9 August 2019. Bills dated 4 May 2019 and 18 September 2019 record payments made since the previous bills. The bill dated 25 February 2019 does not record payments made from 4 March 2016 to 9 February 2019.

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31. I direct the company to issue to the customer a statement showing details of all monthly payments received from the customer from 3 March 2016 to 18 September 2019. The statement shall also include the credit on the customer's account at the start of that period, noted as £655.15. The company shall compare payments made by the customer with the billing amounts referred to above and provide a final reconciliation showing the credit on the customer's account. Any credit on the customer's account as at 31 March 2019 shall be repaid in full to the customer.
32. The GSS sets out the minimum standards of service customers are entitled to expect from water or sewerage undertakers. Where a customer queries in writing the correctness of a bill or submits a complaint in writing about the supply of water or sewerage services, the company must send a substantive reply to the customer within ten working days from receipt of the query or complaint.
33. On 28 July 2018, the customer sent an email to the company requesting details of the amount his account was in credit. On 18 August 2018, the company replied to the customer. No reference was made to a credit.
34. On 16 August 2018, the customer sent an email to the company with a further query relating to the company's email sent 14 August 2018. I could see no evidence of a response to this email.
35. On 3 November 2018, the customer sent an email to the company including calculations and requesting certain clarifications regarding his account. The company replied on 17 December 2018.
36. On 4 January 2019, the customer sent an email to the company with further calculations. The company replied on 4 February 2019.
37. Responses referred to above were not within the period of 10 working days required under the GSS. I find the company failed to satisfy the standard required.
38. The company has acknowledged that it had found six instances where it had failed to meet the standards required under the GSS. The company states it has applied the sum of £20.00 to the customer's account in respect of each failure, totalling £120.00.

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39. I am satisfied the company has made the required payments for its failures to meet the standards required under the GSS. I make no further direction in this matter
40. The customer has stated that he had crossed the threshold for residential use and had been placed on a commercial tariff. The customer wishes to return to a residential tariff.
41. The criteria for deciding whether a customer should be on a residential or a commercial tariff is a matter of policy for the company/wholesaler. Under Rule 3.5 of the WATRS Scheme Rules, a WATRS adjudicator cannot make any determination in relation to the fairness of contract terms or commercial practices. The customer has not provided evidence that the company has failed to comply with any policy relating to tariffs. I therefore make no determination on this matter.
42. The customer seeks compensation in the sum of £25,000.00 in respect of the time spent in contacting the company in respect of the dispute.
43. Compensation may be applicable where the company has failed to provide its services to a standard that would be reasonably expected and where there is evidence to show that, as a result of that failure, the customer has suffered some loss or detriment. For non-household customers, Rule 6.4 of the WATRS Scheme Rules limit the amount of compensation that can be awarded to £25,000.00. This includes any amount awarded for non-financial loss which is limited to £2,500.00.
44. I have already found that the company failed to meet the standards expected under the GSS on a number of occasions. The company has acknowledged this. Other than the matter relating to credit due on the customer's account, which I have dealt with earlier, I have not seen evidence that the customer has suffered any financial loss as a result of those failings and I make no award in respect of any financial loss.
45. The company has addressed its failures under the GSS. The only item to consider is whether or not any compensation is payable for the inconvenience the customer considers he has suffered.
46. The customer has stated that he has spent in the region of 80 to 90 hours in communication with the company by telephone and email. The evidence shows that the customer has contacted the company on many occasions over many months since April 2018 in an effort to

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bring the matter to a conclusion. From the evidence I have seen, it appears that the bills were finally amended to reflect the full agreed NRTS allowance in February 2019. However, the revised bills do not show payments made to the company by the customer.

47. The company states it appreciates the length of time this matter has taken and the confusion caused but does not consider the sum of £25,000.00 claimed by the customer is justified.
48. I find the time taken by the company to address the billing issues relating to the customer's NRTS allowance and account status to be significant and without resolution. This has resulted in the customer being inconvenienced. I therefore direct the company to pay the customer compensation in the sum of £150.00 (one hundred and fifty pounds).
49. In accordance with Rule 5.7.2 or the WATRS Scheme Rules, the company shall complete all directed actions within 20 working days of being notified of the customer's acceptance of this decision.

Outcome

The company shall issue a detailed statement showing all payments received from the customer from 3 March 2016 to 19 September 2019 and reconcile this with bills issued.

The company shall re-pay to the customer the full amount of any credit on the customer's account as at 31 March 2019.

The company shall pay the customer the sum of £150.00 as compensation.

What happens next?

- This adjudication is final and cannot be appealed or amended.
- The Customer must reply by 31/10/2019 to accept or reject this decision.
- When the Customer notifies WATRS of acceptance or rejection of the decision, the Company will be notified of this. The case will then be closed.
- If the Customer does not inform WATRS of his acceptance or rejection of the decision by the date required, this will be taken as a rejection of the decision.

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Signed

Name

Ian Raine BSc CEng MIMechE FCI Arb MCIBSE

Adjudicator

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