

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1630

Date of Decision: 28 October 2019

Complaint

The customer is unhappy with the company's level of customer service. The company has refused to accept a payment plan of £10.00 per month proposed by the customer.

The customer is unhappy about surface water charges as he lives in a flat.

The customer seeks a reduction in his bill of £20.00 and compensation for stress and inconvenience of £2,500.00.

Defence

The customer's estimated usage is around £12.00 per month. A payment of £10.00 per month is insufficient to cover usage.

The company has explained that the property attracts surface water drainage charges, even though this is a flat in a building with other flats.

The company considers there have been no service failings and there is no justification to reduce the customer's bill or provide any compensation.

Findings

The company failed to provide its services to the standards expected under the Guaranteed Standards Scheme, specifically in relation to the company's response to the customer's written complaint.

Outcome

The company shall pay the customer the sum of £20.00.

The customer must reply by 25 November 2019 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1630

Date of Decision: 28 October 2019

Party Details

Customer: []

Company: [] ('company').

Case Outline

The customer's complaint is that:

- The customer is unhappy with the company's operating processes and debt recovery procedures.
- The customer is unhappy with the customer service he has received. The company failed to call the customer back and issued threatening letters.
- The customer proposed a payment plan of £10.00 per month. The company would not accept the payment plan put forward by the customer and this is having a negative impact on his credit file.
- The company proposed a payment plan of £14.00 per month which was reduced to £11.80. The customer refused as he only wanted to pay £10.00 per month.
- The customer considers his proposed payment plan of £10.00 per month is reasonable compared to his consumption.
- The customer is unhappy about charges for surface water and highway drainage as his property is a flat.
- The company has caused distress to the customer.
- The customer seeks to have his payment plan set at £10.00 per month.
- The customer seeks a reduction in his bill of £20.00. The customer also seeks compensation for stress and inconvenience in the sum of £2,500.00.

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The company's response is that:

- The company apologised for the difficulty experienced by the customer during a telephone call on 12 August 2019.
- The customer's consumption is estimated to be around £12.00 per month. The payment plan of £14.00 per month covers current consumption and arrears.
- The company has explained the reasons reminder letters are issued when there is no agreed payment plan in place.
- The company has explained that the property attracts surface water drainage charges.
- The company has supplied information about its social tariffs.
- The company has not made any service failings and considers no compensation is due to the customer.

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.

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How was this decision reached?

1. The company states that on 21 March 2019 it contacted the customer and set up a payment plan commencing 11 April 2019 with monthly payments of £17.37. The company states that it sent a payment plan to the customer on 21 March 2019 together with a Watercard for the customer's use in making payments. The payment plan shows 12 payments of £17.37 per month from 11 April 2019 to 11 March 2020.
2. The company states that it sent a payment arrangement reminder letter to the customer on 20 April 2019. The letter stated that a payment of £7.37 was required to bring the payment plan up to date.
3. The company states that it sent a further payment arrangement reminder letter to the customer on 20 May 2019. The letter stated that a payment of £14.74 was required to bring the payment plan up to date.
4. The company advises that it sent a payment arrangement cancellation letter to the customer on 28 May 2019. This letter advised the customer that an outstanding balance of £2.77 needed to be paid in full immediately.
5. The company states that on 17 July 2019 an invoice was sent to the customer. This invoice showed a balance due of £64.93. The company also states that a reminder notice for full payment was sent on 9 August 2019.
6. The company states that it was contacted by the customer on 12 August 2019 to set up a payment arrangement. A payment plan was set up commencing 16 September 2019 with monthly payments of £14.00. The payment plan shows 12 payments of £14.00 per month from 16 September 2019 to 16 August 2020.
7. The company states that on 13 August 2019 it received a complaint from the customer by email. The company states that it responded to the complaint by telephone on 15 August 2019 and 16 August 2019.
8. The customer states that on 12 August 2019 he received a letter from the company advising he had an outstanding balance of £59.93 and that this was overdue. The company has provided a

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copy of this letter. The customer states that in a telephone call made to the company following receipt of this letter, he was initially advised the lowest a payment plan could be set at was £14.00 per month. The customer states this was reduced to £13.50 and then to £11.80. The customer states he refused this. The customer also states that he considered his proposed payment of £10.00 per month was sufficient to clear his outstanding balance.

9. The company has explained to the customer that the payment arrangement allows customers to pay for services as they are used. The company has also explained that although measured charges are billed in arrears, by paying for services as they are used, when a bill is issued a customer should have paid sufficient into the account to cover the costs of usage during that billing period.
10. The company has explained that based on previous bills, the customer needed to pay around £12.00 per month to cover ongoing use. The company has also explained that in order to clear the arrears from the bill covering the period ending 17 July, the customer would need to pay a further £5.00 per month for 12 months, making a total of £17.00 per month.
11. In accordance with Rule 3.5 of the Water Redress Scheme (WATRS) Rules, a WATRS adjudicator does not have authority to evaluate the fairness of contract terms and/or commercial practices operated by a water supply company. I have therefore only considered whether or not the company has reasonably applied its terms and commercial practices in relation to the customer's situation.
12. At 12 August 2019, the customer had an outstanding balance in respect of the bill dated 17 July 2019 of £59.93. Monthly payments of £10.00 proposed by the customer would allow this bill to be cleared after six months. I note that the customer's view is that a monthly payment of £10.00 would clear the outstanding amount. It would take six months at £10.00 per month for the customer to clear the outstanding balance of £59.93 for the period ending 17 July 2019. However, this would only be sufficient to cover the arrears. It would not be sufficient to also cover the charges for ongoing usage which the customer would continue to accrue.
13. I have examined the copy of the invoice provided by the company for the overall period from 10 January 2019 to 17 July 2019. The total charges for this period, excluding any credit allowed, are £72.16. This is a period of 188 days. I have calculated that this equates to an amount of

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£11.67 per calendar month. This is consistent with the company's calculations and its position that payments of around £12.00 per month are required to pay for ongoing use.

14. If a payment arrangement were to be set up based on the consumption and charges shown on the invoice dated 17 July 2019, the monthly charge in order to avoid a shortfall at the end of the period would be not less than £11.67. This assumes no credit or arrears at the start of the period as it would only cover ongoing usage. A payment plan of £10.00 per month as proposed by the customer would result in a shortfall after six months of approximately £10.00.
15. I conclude that a monthly payment of £10.00 as proposed by the customer would be insufficient to cover the customer's ongoing usage. Such a payment level would cause the customer's arrears to continue to increase.
16. I find the company's proposed payment arrangement of £17.00 per month to be consistent with the amount require to cover the customer's ongoing usage and to allow the customer's arrears to be cleared within 12 months.
17. The setting of monthly payment amounts for payment plans is determined by the company by estimating charges for the ensuing 12 month period. The estimate is based on previous usage and payments also take account of any credit or debit on the customer's account at the start of the plan period.
18. The customer has requested that his payment plan is set at £10.00 per month. I find the monthly payment amounts set by the company to be consistent with the company's method of estimating monthly charges. I therefore make no direction in regard to the customer's request to set the monthly payments at £10.00.
19. The customer has stated that he is unhappy with the company's operating processes and procedures. I note that the company has explained to the customer the reasons why it has set the monthly payments at the levels in the payment plans. I also note that following a discussion between the company and the customer, a payment arrangement was set up on or around 21 March 2019. When the customer fell behind this payment arrangement, the company sent a reminder letter on 20 April 2019, with a further reminder letter on 20 May 2019, before sending a payment plan cancellation letter on 28 May 2019. Following this, the company issued an

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invoice to the customer dated 17 July 2019 showing the outstanding amount due. A reminder notice for full payment of that invoice was sent on 9 August 2019.

20. The reminder letters sent on 20 April 2019 and 20 May 2019 note that the customer should bring the payment plan up to date as soon as possible to avoid the plan being cancelled. The letters also notified the customer that should the payment plan be cancelled, any outstanding amount would immediately become due for payment. The reminder letters and reminder notice also included advice that the customer should contact the company should the customer have difficulty paying.
21. I note that the company set up a further payment plan with the customer on 12 August 2019. This followed the issue of a reminder notice for the invoice dated 17 July 2019.
22. I find that the company had taken reasonable steps to notify the customer that the customer had fallen behind the payment plan prior to cancelling the payment plan. I also find that the company had taken reasonable steps to inform the customer of the consequences should the payment plan be cancelled.
23. The customer has questioned the inclusion of charges for surface water drainage. The customer states that as he lives in a flat, charges for surface water drainage should be borne by the building owner.
24. The company has explained that, in accordance with the company's published Scheme of Charges, the customer is charged for his share of the surface water drainage charge and this is at a rate of £34.57 per annum.
25. I have examined the company's published Scheme of Charges and compared this with the invoice dated 17 July 2019. I find the company has applied the surface water charge to the customer's account in accordance with the Scheme of Charges. I make no direction in respect of this matter.
26. The customer seeks a reduction to his bill of £20.00. I can find no evidence of errors in the invoice dated 17 July 2019. I can find no justification to require the company to reduce the customer's bill. I make no direction in respect of this matter.

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27. I have examined whether the company has failed to provide its services to the standard which would be reasonably expected. The Guaranteed Standards Scheme (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. In a case where a customer requests in writing a change to a payment arrangement and the company is unable to agree to the request, the company must send a substantive response within five working days from receipt of the request.
28. As referred to earlier, the company received a written complaint from the customer on or around 13 August 2019. The company states that it responded to this complaint by telephone calls on 15 August 2019 and 16 August 2019. The company's response was not sent in writing. The customer acknowledged in his email dated 16 August 2019 sent to the Consumer Council for Water (CCW) that he had received a response to his complaint, although he noted he had not received any satisfactory answers. It is also noted that the company states it offered to send an email to the customer but states that the customer advised he would prefer a call.
29. The GSS requires that a substantive response to a complaint should be sent to the customer within ten working days. Whilst the company did telephone the customer, no substantive response detailing the company's position was sent to the customer in response to the complaint received on 13 August 2019. I therefore find that the company has failed to comply with the requirements of the GSS.
30. In accordance with the GSS, I direct the company to pay the customer the sum of £20.00 in respect of its failure to send a substantive response to the customer's complaint.
31. The customer states that he has suffered stress and inconvenience and has claimed payment as compensation in the sum of £2,500.00.
32. The company states that there have been no service failures in relation to the customer's account and denies any obligation to make any compensation payment.
33. I find that the company had reasonably assessed the payment arrangements and taken steps to adjust the payment plan, as far as it was able to, to accommodate the customer. I find the

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company has taken reasonable steps to explain to the customer how it assessed its payment plans. I also find that the company had acted reasonably in sending reminder letters to the customer regarding shortfalls in payments and given the customer reasonable time to bring his payments into line with the plan. I find no justification to make any compensation award and make no direction in regard to this matter.

34. I note that the company has provided the customer with information about its social tariff scheme. The scheme is intended for customers who may be having difficulty in paying bills and may, depending on individual circumstances, result in reductions in bills. The customer is free to explore this with the company should he choose to do so.

Outcome

The company shall pay the customer the sum of £20.00.

What happens next?

- This adjudication is final and cannot be appealed or amended.
- The Customer must reply by 25 November 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



Ian Raine (BSc CEng MIMechE FCI Arb MCIBSE)

Adjudicator

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