

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1797

Date of Decision: 24 February 2020

#### Complaint

In 2009, the customer applied for a water meter. However, the company ended up incorrectly fitting the meter to a supply that the customer shared with her neighbour. Over the ensuing ten year period, the company failed to resolve an issue with the customer's neighbour having no direct mains water supply when her (i.e. the customer's) supply was switched off. The customer is seeking (1) an apology (2) the retrospective amendment of her charges going back to 1998 and (3) compensation of £10000.00 plus interest.

#### Defence

As to the situation with the neighbour, the shared supply is private pipework and as such, it is not something that the company will become involved with. Some (various) service failings are acknowledged ("the Acknowledged Failings"). The company accepts that initially the water meter was incorrectly fitted to a shared supply and then the smart meter was incorrectly fitted in its place. In response, it cancelled all charges raised for the meter in 2009, it gave the customer a goodwill payment of £240.00 and made CGS payments of £160.00. In 2009, a goodwill payment of £30.00 was also added to the customer's account for the inconvenience relating to the meter being fitted to a shared supply.

No offer of settlement has been made.

#### Findings

(1) In terms of its stance on the shared supply with the neighbour, the company acted in line with its policy and the normal practices of the water industry; (2) On the historical approach to billing the customer, the company provided its services to the standard to be expected and no backdating of charges would be warranted; (3) The goodwill and CGS payments already made to the customer constitute an adequate reflection of the Acknowledged Failings - no additional compensation is awarded, therefore, in respect of the Acknowledged Failings.

#### Outcome

The company does not need to take any further action.

The customer must reply by 23 March 2020 to accept or reject this decision.

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Date of Decision: 24 February 2020

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

### The customer's complaint is that:

- The property concerned is at [ ] ("the Property").
- In March 2009, as her charges based on the Property's Rateable Value ("RV") were regarded as too high, the customer requested that a water meter be fitted. A meter was installed on 9 April 2009 without any prior survey being carried out.
- On 6 May 2009, the customer reported a problem with the water supply.
- A first survey was finally carried out on 11 September 2009. It transpired that the supply was shared with the customer's neighbour. The only option offered to the customer was to return to the RV basis of charging. The customer says that she was unhappy about this because it was also stated that:

*"... it was too much for my usage. No option was ever offered to resolve any pipe work problem. [ ] stated RV was cheaper than AHC so still better off HA ... This would still be higher than my usage. No resolution was attempted with my neighbour to resolve her issues of no direct mains Water supply when my supply was switch off. They lied that I was in dispute with my neighbour over the internal pipe but this was clearly not possible as we hadn't been made aware of this pipe until March 2019 and they had stated I could cut the pipe and they would install a direct supply to my neighbour. Was not told could not cut until 11th April 2019 conversation ..."*

- The customer goes on to allege that the company:

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*“ ... lied in the CCW report that they would have resolved the matter if I had requested back in 2009. Plus the fact that they later state 2009 ‘it remains [ ] policy that their unable to make any changes to the internal pipe work to allow this’. This clearly means the above was never offered. No attempt to supply a direct mains supply to my neighbour was ever made or the matter to be resolve[d] for metering ...”*

- In July 2018, the customer says that she received a 'No Access' letter, which threatened that if she did not have a survey of the Property, she would be billed £601.92. She contacted the company stating that she had had:

*“... a number of surveys and on shared supply. I was told I had to have a Smart Meter fitted. I was then forced into having another meter installed externally on 20th September 2018. No survey again was ever carried out before installation ...”*

- The customer then explains that she had to have another full survey of the Property on 20 March 2019, which *“finally found that it was an internal pipe”*. The question that the customer poses on this issue is:

*“... **How could [ ] say they could not resolve the matter earlier as they had not found the internal pipe until 20th March 2019 TEN Years after original complaint.** I could not be expected to resolve any of these matters which would be at great cost to myself until I was aware of what was effected and it has highlighted that it is my neighbour’s problem of NO mains direct water supply ...”*

- The customer says that the company also told her that she:

*“... was able to cut the supply to my neighbour and they would install a supply to her free of charge. Two days before this was due to happen and after the letter had been sent to [ ] and my neighbour with the date of cut off an engineer attended my neighbour and then informed me that I could not cut the supply or switch it off. Yet another lie told by [ ] water. I am still without a working sink and no washing machine for over two years and since my husband has already been in hospital for a heart infection I am very concerned for our health and safety ...”*

- She adds that:

*“... [ ] Water kept sending me details of how to install another mains direct water supply if I required a meter. I already had a full mains water supply and therefore did not require a second. I also complained that I was still being over charged for 2 people on very low usage only in property for half the year. Each time I was informed that [ ] based the cost on my water usage. It was continually pointed out it was a shared supply so the reading was not correct. I pointed out that next door was four/five people 3*

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bedrooms. I again pointed out that [ ] have been aware of this since 2009 and failed to resolve the problem. I again pointed out from the billing that the charges are incorrect for two people low usage ...”

- The customer refers to the Consumer Council for Water (“CCW”) report, which - she submits - clearly shows the “... big discrepancy between the usage and charges and RV [that she is] being forced to pay ...” She goes on to say that the CCW report:

“... shows that if I require a separate supply then a New Connection (NWC) will need to be laid going into the immediate neighbouring property and could be done by [the Development Services] team. But they have continually failed to send any documents to my neighbour to clarify this information despite her request. I cannot be responsible for costs as this could not be my mains supply and I already have one. My neighbour cannot visit the web site as she has continually not been told of this information in the first place ...”

- In view of all of the above:
  - in terms of the service that she would like the company to provide, the customer states that she requires:

“... a full standard of service to be implemented to myself as this has not been provided from the beginning. With manners and respect to resolve any queries I may have without them with holding important information. To be listened to when I raise or point out a problem they have still to resolve. That they provide a full service to my neighbour and not a fictitious one including correct charging for her supply. I do not wish to be caught in the middle of other people’s problems and that [ ] deal with the person directly as they requested on their issues to get them resolved. I have made it clear not to contact my disabled husband over any matters and wish for them to leave him alone completely in the future ...”;
  - in terms of requesting an apology, the customer says the following of the company’s conduct in this case:

“... This should never have happened or left to prolong if they had carried out their job correctly in the first place. I expect a full sincere apology to my father who has had his care disrupted while I have been trying to get [ ] Water to rectify their problems. A full service and sincere apology for the unnecessary upset they have caused my disabled husband. I expect justice for all the misery and the fact I have been placed on anti-depressants due to all the unnecessary heartache they have bestowed upon me. A massive good will gesture ...”

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- in terms of something to be done about her bill, the customer says that she wishes:
  - “... to be billed correctly for only my water usage on the short periods of time I am at home. Backdated amendments for the duration of the ownership of my property 1998 for over charging. My bills no longer reflect others usage. No bills for other people’s installation of water supply as I have my own ...”*
- in terms of compensation that she expects the company to pay, the customer explains that she is seeking £10,000.00 plus interest to reflect the following elements:
  - *“All bills I have received since 1998 incorrect to my usage of water”;*
  - *“Paper, recorded post, inks, time spent phone calls”;*
  - *“Distress for threatening behaviour causing ill health to two people”;*
  - *“Compensation for the health and safety problems caused as well as delays to carrying out work improvements urgently”;*
  - *“Cost for removal of pipe and cost of delayed instalment of sink and washing machine”;*
  - *“Disruption to my duty of care to my disabled father”;*
  - *“For 10 years plus that answers have not been found by [                    ] Water to problem”.*

**The company’s response is that:**

- The claim is disputed.
- As to not offering a resolution to the issue with the pipework, the company says that it has advised the customer that:
  - the shared supply is private pipework; and
  - as such, it is not something that the company will become involved with.
- The configuration of the internal pipework would have been done by the developer of the property or may have been altered if any renovations/conversions have taken place. The company has had no involvement with the laying of this pipework.
- The company refers to two diagrams that it has provided. These diagrams demonstrate where the company’s responsibility ends and the customer’s responsibility begins.
- If the customer and her neighbour wish to have separate supplies, they will need to contact the company’s Developer Services team, who will investigate further and provide quotations for their consideration. It may be that only the neighbour would need to have a new supply laid but this would need to be surveyed. The cost would be payable by the customer’s neighbour or the cost

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- could be shared as it would resolve the shared supply issue for both customers. Any work to separate the supply, however, would need to be agreed and carried out at the customers' cost.
- As neither the customer nor her neighbour is charged on a water meter, both properties are paying their own unmeasured charges. The company is supplying water and waste water services to both properties but the customer is not being charged for her neighbour's use.
  - As to the allegation that the company lied in its report to the CCW (by stating that if the customer had requested changes to the internal pipework in 2009 then the company could have offered a resolution), the company refers to its email of 12 June 2019 and responds as follows:
    - if the issue had been raised with it at the time (i.e. in 2009) then the company would have advised the customer that she would have needed to contact a private plumber;
    - this was because the policy at the time, which remains the same today, is that the company will neither alter internal pipework nor will it separate private shared supplies.
  - The customer also alleges that, in 2009, no survey was carried out before the meter was fitted. As to this, the company refers to the technician's notes provided, which it says show:
    - that an external survey had been completed before the meter was fitted on 9 April 2009; and
    - that on 10 May 2016, the customer refused access, was aggressive and did not want a meter.
  - After receiving the company's letter in July 2018, the customer states that she contacted the company to advise that the supply was shared and she was told that she had to have a smart meter fitted. On this, the company refers to its telephone records, which show that the company received no contact from the customer between May 2016 and September 2018.
  - It is acknowledged, however:
    - that the customer did write to it in August 2018; and
    - that her point regarding separating the supplies between 19 & 20 Athol Road was not addressed.
  - To reflect this, the company submits that:
    - a £40.00 Customer Guarantee Scheme ("CGS") payment was added to the customer's water services account; and
    - the fact that a smart meter was fitted in exchange for the original meter (which had been proven to be on a shared supply) was considered as part of a £240.00 goodwill payment sent to the customer on 14 June 2019 ("the £240.00 Goodwill Payment").
  - The customer has also questioned why the internal pipe was not found until the company's visit in March 2019. On this, the company refers to its technician's notes and points out that:

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- the technician stated that it was a “possible” partial shared supply and that the pipe “look[ed] like it goes to number 20”;
- this was the technician’s opinion;
- whilst the opinion may (as a matter of fact) have been correct, it is/was not the company’s responsibility to confirm where the shared supply runs from or splits.
- The customer has also referred to her call on 21 March 2019, where she alleges that she was advised that she could cut off the supply to her neighbour and the company would install a supply to her free of charge. On this, the company refers to its call notes from 21 March 2019 and contends that:
  - there are no notes relating to a discussion about the customer’s neighbour’s supply;
  - new supplies have to be applied for through the Developer Services team and states with confidence that none of its agents would ever advise a customer that they could cut off their neighbour’s supply without prior agreement between those parties.
- In its email of 12 June 2019, the company advised that:
  - if the customer could confirm that she was happy to become the main account holder (and inherit the credit history for the account that is currently in Mr [ ]’s name and to accept that she will be solely responsible for the bills going forward) then the company would amend the account;
  - alternatively, it could close Mr [ ]’s account from an agreed date and open a new account in the customer’s (i.e. Mrs [ ]’s) name - again with Mrs [ ] accepting full responsibility for the bills;
- The company asked the customer to confirm which option she preferred but to date, the company says that it has received no response from the customer regarding this.
- Whilst Mr [ ] remains as the lead name on the account, the company confirms that:
  - all automated correspondence and bills will continue to be sent to Mr [ ] directly; and
  - failure to arrange payment would also impact Mr [ ]’s credit score.
- Although it is noted that the customer has stated that she has set up a payment of £1.00 per week, this has not been agreed by the company and as such, the company says that it will continue to seek payment for the full outstanding balance, which is currently £51.47.
- In order to prevent further debt recovery action taking place, the company says that the customer will need either to arrange payment in full or to set up a payment plan for a set amount to be received on a before a set date each month.
- The company says that it is disappointed that the customer feels that the company has not listened to her and has withheld information from her. This was not the company’s intention. It is

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acknowledged that there were failures in the company's service in terms of failed call-backs and the meter being fitted/exchanged on a shared supply. The £240.00 Goodwill Payment was sent to the customer in recognition of this.

- As has been explained:
  - the shared supply is a private issue that would need to be resolved between the customer and her neighbour. If the neighbour has a separate supply laid, it may be that the company would then be able to fit a meter to record the customer's use only. However, this cannot be determined whilst the supply is shared; and
  - if the customer can confirm whether she is happy to be the lead name on the current water services account or whether she would like the company to close the current account and open a new account in her name then the company will be happy to do this (but will require her consent.)
- As to the customer's request for an apology and for a "massive" goodwill gesture to be made, the company replies as follows:
  - it accepts that, initially, the water meter was incorrectly fitted to a shared supply and then the smart meter was incorrectly fitted in its place. In response:
    - it cancelled all charges raised for the meter in 2009; and
    - it gave the customer:
      - the £240.00 Goodwill Payment; and
      - four CGS payments totalling £160.00; and
  - in 2009, a goodwill payment of £30.00 was also added to the customer's water services account for the inconvenience relating to the meter being fitted to a shared supply. (It is reiterated, however, that is not the company's responsibility to clarify the configuration of private pipework nor to separate a shared supply.)
- As to the customer's wish "*... to be billed correctly for only my water usage on the short periods of time I am at home. Backdated amendments for the duration of the ownership of my property 1998 for over charging. My bills no longer reflect others usage. No bills for other peoples installation of water supply as I have my own ...*", the company explains that it is not possible to fit a water meter either internally or externally at the Property. This is because the customer's supply is shared with her neighbour. It is reiterated that this is a private issue in which the company not become involved.
- As to the allegation about incorrect billing since 1998 (and the amendment of charges and/or compensation claimed in this respect), the company submits that:

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- the customer's bills have been correctly calculated based on the Rateable Value ("RV") of the Property. This with the exception of the bill raised on 27 May 2009, which was the bill for the meter that was subsequently confirmed to have been fitted on a shared supply. The metered bill was cancelled on 29 September 2009 when the account was closed and the charge basis for the customer's new account was again the RV of the Property;
- the comparison letters sent as part of the company's Progressive Metering Program ("PMP") were not bills and no metered charges have been raised for the customer since the incorrect bill of May 2009;
- the company will not become involved in the issue of the shared supply on the private pipework and whilst the supply is shared, it is not possible to fit a meter that will record the customer's use only. As such, the company needs to bill on an unmeasured charge, (currently the RV of the Property) but as the customer has now gone through the PMP, when the comparison period ends, the customer will switch to the Assessed Household Charge ("AHC");
- RV, whilst still a valid method of charge, is outdated. The Inland Revenues District Valuer decided the RV of each property based on the following;
  - the property's size;
  - its location;
  - its access to local facilities and transport;
  - its desirability (for example, whether it had central heating or double glazing);
- The value was meant to represent the theoretical amount of rental income the property might command annually. Since 1 April 1990 no new or amended RVs have been issued.
- The AHC has been calculated based on the number of bedrooms in a property and has been based on average metered bills.
- In this case, the customer's AHC charges will be higher than the RV but there is no option to remain on the RV because this is being phased out with the introduction of PMP.

### **How is a WATRS decision reached?**

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

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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. I have reviewed in particular:
  - a. the customer's WATRS Application Form and the detailed supporting pages attached to it; and
  - b. the 'chain of events' (and all the embedded system notes and screenshots, etc.) set out on pages 1 to 11 of the company's defence; and
  - c. the 'evidence 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11' documents appended to the company's defence.
2. I have also had the benefit of reading the customer's letters dated 22 and 24 January 2020, being her detailed comments and additional comments ("Comments") filed in reply to the company's defence.
3. I can see that this case has a very long history to it. Both parties have set out their respective cases comprehensively and in great detail. I quite appreciate the level of the customer's frustration in the matter - particularly over such a protracted period of time. From the customer's perspective (and whilst accepting, of course, that there are numerous sub-issues) it seems to me that there are two main strands to the dispute. These two strands are bound up together:

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- a. **first**, the situation with the customer's neighbour ("the Neighbour Situation"). The key complaint appears to be that the company has failed to step in to 'resolve' the problem. I note that the customer succinctly summarises this aspect in her Comments of 24 January 2020:

*" ... [the company keeps] sending me details of what pipework I own but this does not resolve the fact my neighbour has no pipe work. I have continually requested that this information be sent to my neighbour as a matter of urgency due to the fact she has no water supply. This means that if any ... of MY pipe work fails with a leak heaven forbid she is unable to obtain water until I return home ... If [the company] stated that they would install a supply free of charge back in April 2019 why have they not organised this and brought to an end one of the main issues? This could have been resolved in 2009 if they had communicated and carried out a proper survey with my neighbour over the lack of pipe work. Instead I have continued to exist with a non functional kitchen throughout the last 10/11 years. I am also unable to change suppliers due to this unresolved issue ... I am sick of fighting my neighbour's problems of no water supply and feel that enough is enough. I should be left to cut the pipe as [the company] said I could and leave [the company] finally [to] resolve the matter with my neighbour how they see fit ... "*

- b. **second**, if only the Neighbour Situation could be resolved, the customer says that this would hopefully give her *"... a working meter ... and a correct bill ... which is all [that she has] required since 2009 ..."*

4. With regard to the first strand, the company's answer is to say that:

- a. *"... neither [the customer nor] her neighbour are charged on a water meter, both properties are paying their own unmeasured charges. We are supplying water and waste water services to both properties, but [the customer] is not being charged for her neighbour's use ..."*; and
- b. the shared supply with the neighbour is private pipework; and
- c. as a consistent matter of policy ("Policy"), the company does not itself undertake any alterations to internal pipework - nor does it (or will it) separate private shared supplies; and
- d. the Neighbour Situation is:

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- i. essentially a private matter that needs to be resolved between the customer and her neighbour directly; and
  - ii. it is not something, therefore, with which the company can become 'involved'.
- 5. I have given careful consideration to the reasonableness of the company' position in relation to the Neighbour Situation. Whilst I readily understand how exasperating this is for the customer, the company's stance seems to me to be one that all water companies would adopt in the same circumstances. I am satisfied therefore that, in this case, the company has acted in line with both:
  - a. its Policy; and
  - b. the normal practices within the industry.
- 6. In view of the above, I am not persuaded that - with regard to the Neighbour Situation - the company failed to provide its services to the standard that one would reasonably expect.
- 7. I turn now to the second main strand of the case. Principally, this is the customer's point that she should not receive any bills "*for other people's installation of water supply as I have my own*" and that her bills should "*no longer reflect others usage*".
- 8. The customer seeks: "*... backdated amendments for the duration of the ownership of [the Property to] 1998 for over charging ...*"
- 9. In light of my finding above about the Neighbour Situation, when it comes to the billing analysis, I am satisfied that the company has been providing its services to the standard to be expected in this case - and has not overcharged. I note the key points that the company takes up in its defence. It submits that:
  - a. "*... neither [the customer nor] her neighbour are charged on a water meter, both properties are paying their own unmeasured charges. We are supplying water and waste water services to both properties, but [the customer] is not being charged for her neighbour's use ...*";
  - b. "*... no metered charges have been raised for Mr & Mrs [ ] since the incorrect bill of May 2009 ...*"; and
  - c. "*... while the supply is shared it is not possible to fit a meter that will record Mr & Mrs [ ]'s use only. As such we need to bill Mr & Mrs [ ] on an unmeasured charge,*

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currently the RV of their property but as they have now gone through our PMP, when their comparison period ends, they will switch to AHC ...”; and

- d. “... In this case Mr & Mrs [ ]’s AHC charges will be higher than the RV but there is no option to remain on the RV because this is being phased out with the introduction of PMP ...”

10. I accept these above-mentioned submissions made by the company. I am not persuaded that it would be appropriate to direct that the company must retrospectively amend its charges to the customer in this case on the basis that she seeks.

11. Finally, looking back over the history of the matter, I do find that there were various failures in service on the part of the company. The most serious of these appears to have been the original incorrect fitting of a water meter to a shared supply and then - to compound the failure - a smart meter was incorrectly fitted in its place. I can see that these failures had real consequences for the consistency and quality of information that the company was delivering to the customer (over a lengthy period of time).

12. Also, I find that there were numerous failures by the company to make call-backs or to satisfactorily address particular concerns that the customer was raising.

13. In all of these respects (i.e. as mentioned in paragraphs 11 and 12 above), I find that the company fell below the standard that would reasonably be expected by the average person. However, I note that the company acknowledges that these service issues constituted a failure to provide its services to the requisite standard (“the Acknowledged Failings”).

14. I note the company’s response to the Acknowledged Failings:

- a. in 2009, it added a goodwill payment of £30.00 to the customer’s account; and
- b. it cancelled all charges raised for the meter in 2009; and
- c. it gave the customer:
  - i. the £240.00 Goodwill Payment; and
  - ii. four CGS payments totalling £160.00.

15. The financial value of the payments / credits made, therefore, totals £430.00 **plus** the cancellation of the all the meter charges in 2009 (“£430.00 Plus Cancellation”).

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16. Looked at in proportion - and bearing in mind that I have not upheld any findings in respect of the two main strands of the customer's claim against the company in this case - I conclude that the £430.00 Plus Cancellation element was an adequate reflection for the Acknowledged Failures.

17. Therefore, in respect of the Acknowledged Failures, I am not persuaded that it would be appropriate to direct the company to pay any compensation over and above the £430.00 Plus Cancellation element already committed.

#### **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 23 March 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.

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**Nik Carle** LLB (Hons), Solicitor, DipArb, FCI Arb

**Adjudicator**

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