

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0676

Date of Decision: 07 March 2018

#### Complaint

The customer disputes the unmetered charges applied by the company before he had a water meter fitted. He submits the charges are based on the Rateable Value of the property; however, the Rateable Value charges for his one-bedroom property are higher than other four-bedroom properties in the area. He claims the company has provided a poor service and refutes that he should have to pay charges above the metered rate.

#### Defence

The company submits that it is authorised under the Water Industry Act 1991 and the Water Industry Act 1999 to continue charging customers on the Rateable Value of their properties until such time as a water meter is fitted. It asserts that the Rateable Value charges it raised prior to fitting a water meter at the customer's home are valid and due. The company denies receiving a request from the customer for a water meter to be installed prior to 8 April 2017 and it does not accept that it provided poor service to the customer. The company did not make a settlement offer.

#### Findings

The company is entitled under the Water Industry Act 1999 amendments (to the Water Industry Act 1991) to continue charging customers for its services using the Rateable Value of their properties, despite these rates not having been reassessed since 1 April 1990. I am satisfied that it informed the customer of his right to have a water meter fitted (where possible) when he disputed the Rateable Value charges. Furthermore, I find that following receipt of the customer's Optional Metering Application Form application, the company installed a water meter and transferred the customer's account to metered charges, in accordance with its obligations. There is no evidence that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person.

#### Outcome

The company does not need to take any further action.

**The customer must reply by 4 April 2018 to accept or reject this decision.**

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0676

Date of Decision: 07 March 2018

## Party Details

Customer: [REDACTED]

Company: [REDACTED]

## Case Outline

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

- The Rateable Value level for his one-bedroom flat is higher than four-bedroom houses in his area. He has paid his metered bills but refuses to pay the charges based on the Rateable Value of the property prior to when the meter was fitted.
- He has offered to pay the company for its services but based on the metered rate and "not a penny more".
- The customer requests that the company correct the bill and the Rateable Value of his property. He owes the company approximately £39.00 and not the amount of £88.00 being claimed by the company.
- The customer requests that the company also provide an apology for him "being messed about by poor service". He also asserts that the Consumer Council for Water (CCW) should be "struck off as a business".

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

- The dispute concerns the Rateable Value (RV) assigned to the customer's home and his bill based on this method of charging. RVs are used as a method of calculating water and wastewater services charges throughout the UK on an unmeasured basis (as opposed to a measured/metered charge).
- On 21 March 2017, it received an email from the managing agent of the customer's home, notifying it that the customer's tenancy at [REDACTED] ('the property'), began on 17 February 2017. An account was set up for the customer with effect from 17 February 2017, using the RV charge basis of the property. A bill was issued for the period 17 February 2017 to 31 March 2018

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totalling £401.60. The customer called on 7 April 2017 to dispute his RV bill and on 8 April 2017 it discussed with the customer metering as an alternative to his RV bill. It sent the customer an Optional Metering Application Form ('OMAF') for his completion and return and it received a completed OMAF from the customer on 21 April 2017.

- A water meter was subsequently fitted on 18 May 2017, in accordance with its standard timescales.
- It sent the customer a final bill using the unmeasured RV charge basis for the period 17 February 2017 to 18 May 2017, this bill totalled £88.61. On 30 May 2017, the customer called to dispute the final RV bill he had received for £88.61.
- Following a meter reading taken on 26 September 2017, it sent the customer's first metered bill. The bill totalled £58.92 and was for the period 18 May 2017 to 26 September 2017. However, once the overdue RV charges of £88.61 were added to this bill there was a total balance on the account of £147.53.
- The customer continued to dispute the RV charges from his previous account but he made a payment of £58.89 for the metered charges (less £0.03) on 26 October 2017.
- It has tried to explain the RV charge basis to the customer each time he has called to dispute the charges however, the customer can become abrupt, aggressive and abusive to its agents and managers in the call centre.
- The customer referred his complaint to CCW with whom it has liaised and provided information requested of it to help CCW with their investigation into the customer's complaint.
- In response to the customer's points raised the company has explained that until such time as a customer applies for a water meter it always bills a customer using the RV of their property.
- The Inland Revenues District Valuer decided the RV of each property based on its size, location, its access to local facilities and transport and its desirability. Properties' RVs were assessed between 1973 and 1990 but since 1 April 1990 no new or amended RVs have been issued. Although RVs have been frozen and are no longer set, legislation allows water and wastewater companies to continue using them.
- The RV of the customer's home is 223 and the rate per pound for water in 2016/17 in the customer's area was 71.22 pence, the rate per pound for wastewater in the same year was 51.24 pence. The rates for 2017/2018 are 72.15 pence for water and 50.75 pence for wastewater. The unmetered fixed charges for water in 2016/17 were £31.30 and for wastewater £55.05. So to calculate the charges for the period 17 February 2017 to 31 March 2017, it multiplied the RV by the pence per pound for each service individually which gives the annual amount, then it divided by 365 days and multiplied by the number of days in that period (43

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days). Then it added the fixed charges for each service, although first it divided the fixed charge for each service by 365 days and multiplied by the number of days in the charging period (43 days).

- Using the 2016/2017 figures, the customer's final RV bill for the period 17 February 2017 to 31 March 2017 is £22.40 for water supply and £19.95 for waste water and using the 2017/2018 figures, the customer's final RV bill for the period 1 April 2017 to 18 May 2017 is £24.86 for water supply and £21.40 for wastewater, totalling £88.61.
- In regards to the claim that the RV for the customer's one-bed flat is higher than four-bedroom houses in the same area, he has not provided any evidence to confirm this. Based on its research there are no properties with a lower RV (223) but have more bedrooms than his home, in his postcode, however as mentioned earlier it has no control over RVs as it did not set RVs and it has no details of how individual RVs were arrived at. Ofwat states on its website that RVs cannot be amended or appealed.
- The company asserts that in line with The Water Industry Act 1991 and The Water Industry Act 1999 amendments, it is entitled to charge the customer using the RV of his home and it has done so correctly.
- The customer's outstanding balance is £88.64 and failure to make payment will result in its debt recovery process; this includes sharing a customer's payment history with credit reference agencies.
- The company denies providing a poor service and is unable to accept the claim for a reduction in the customer's RV charges, or to amend the RV of his home.

### 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.

If the evidence provided by the parties does not prove both of these issues, the company will not be directed to do anything.

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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 remind the parties that adjudication 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. Furthermore, in accordance with the scheme rules, I am unable to consider the customer's submissions regarding non-members who are not party to these proceedings; therefore, I make no findings in relation to the customer's submissions regarding CCW.
2. The dispute concerns the company's charges for its water and wastewater services for the period 17 February 2017 to 18 May 2017 which are based on the RV of the customer's home.
3. Having reviewed the case papers, it is apparent that the customer's metered charges raised (based on his actual water consumption) following the installation of a meter at his home on 18 May 2017, are significantly less than the unmetered RV charges applied for the timeframe prior to this. The customer is therefore disputing the RV rate applied by the company and also complains that bigger properties in his area are on a lower RV rate.
4. The company in its Defence has explained that the RV of properties were assessed and set between 1973 and 1990 by The Inland Revenues District Valuer based on criteria including size, location, proximity to amenities and desirability. It asserts that although these have not been updated since 1990, legislation allows it to continue using the RV of a property as a basis for unmetered charging. I accept that the Water Industry Act 1999 made amendments to the Water Industry Act 1991 ('The Act') including securing that water companies were able to continue charging customers on the RV basis. I also accept that Ofwat, the Water Industry Regulator, states on its website that RVs cannot be amended, or appealed. Furthermore, I find that the Act authorises the company to set charges for its services and provides that those charges must be fixed by reference to a Charges Scheme. The company has submitted its Charges Scheme for 2017/2018, which I find confirms its entitlement to charge customers using the RV of their home, where relevant. Therefore I find that the company has established that it

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is entitled to charge the customer for its services using the RV of his home until such time a water meter is fitted (discussed below).

5. The customer has suggested in the supporting documentation that he first requested a water meter in February 2017. The company has produced a detailed log of all the customer's contact with it (including those made on his behalf for example his landlord who, on 21 March 2017, notified the company of the customer's tenancy at the property). I find this evidence supports the company's submission that the customer first requested a water meter on 8 April 2017 after calling to dispute the RV charges and the company informing him of this option. There is a lack of evidence that the customer requested a meter prior to 8 April 2017 and I am satisfied that the installation of the water meter at the customer's address on 18 May 2017 was carried out by the company within reasonable and standard timescales. Further, in accordance with the company's policy, I find that it transferred the customer's account to metered charges at the date of the installation; I find there is no obligation on the company to do so prior to the meter installation date.
6. In regards to the customer's RV rate, in its Defence the company has explained it covers a wide geographical area with a large number of Local Authorities and that it has seven separate charging areas. It submits that the pence in the pound variation was designed to allow for the fact that RVs for similar properties varied considerably across the region. The company asserts that the customer's RV rate is 223, and it has set out in detail how it arrived at the RV charges billed to the customer for the period 17 February 2017 to 18 May 2017. I consider that the information in its Charges Scheme and the customer's bill is consistent with the company's above submissions. Therefore, in the absence of any evidence showing otherwise, on balance I accept that the customer's RV rate is correct and that the company has applied it correctly.
7. The customer submits that the RV for his one-bed flat is higher than four-bedroom houses in the same area. Whilst the customer has not provided any evidence to support this, as the RV has not been updated or assessed since 1 April 1990, it may be that some properties which have been updated, refurbished and extended since 1990 and not transferred to metered charging are still on a relatively low RV, however, I accept that the company has no mechanism to alter the RV of a property. The company has however explained that now a water meter has been fitted at the customer's home, he will not be charged again based on the RV of the property. I am satisfied that this is line with the company's obligations which require a water

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company to install a water meter when requested by the customer (and where possible) and to transfer their billing to metered (unless the customer requests to revert to the RV within 12 months of the meter being installed, providing they do not reside in an area where metering is compulsory where a reversion is not possible). I therefore find no evidence of a service failing by the company in this regard.

8. The customer has complained that the company has provided poor service; however, he has not specified or evidenced instances of poor service provided by the company. As mentioned above, the company has provided evidence of its communications with the customer in the form of a 'chain of events' summary and call notes from 7 April 2017 until shortly before he applied to WATRS. I also acknowledge receipt of CCW correspondence. Based on this evidence, I am unable to find any errors by the company which establish that it failed to provide its services to the customer to a reasonably expected standard.
9. In light of my above findings, whilst I accept that the customer's RV charges are higher than his more recent metered charges, the company has shown that it is legally entitled to charge the customer using the RV of his home up to 18 May 2017 when a meter was fitted. Furthermore, I find no evidence of any billing errors or poor service provided by the company. As a consequence, I find that the company is not liable to provide the customer with the remedies requested and the claim therefore cannot succeed.

#### 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 4 April 2018 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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**A. Jennings-Mitchell**, BA (Hons), DipLaw, PgDip (Legal Practice), MCI Arb  
**Adjudicator**

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