

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1374

Date of Decision: 25 September 2019

#### Complaint

The customer states that due to the poor service and inadequate billing of the company a leak that she had on her land was not noted in time and caused her to have to pay a large bill. The customer states that the total amount she has had to pay is £9,500. She complains that the meter is not adequate and that the company should have had a system in place to detect high usage. The customer does not believe that the money already paid by the company is adequate.

She seeks an amount of £5,500 from the company and an undertaking to provide regular bills based on actual meter readings and provide a new meter that the customer is able to read.

#### Defence

The company accepted that the billing was late and that it had failed to reply to the customer's letters regarding the leak. It states that it has already paid £2669.63 to the customer and that this is a sufficient amount. The company disputes further claims made by the customer and denies that the amount paid is inadequate.

The company has not made any further offers of settlement, apart from the money already paid to the customer.

#### Findings

The company accepted its fault in relation to two of the customer service matters complained of. In relation to these failings I found that the company had not provided its services to a reasonable standard.

#### Outcome

The company needs to take the following further action: To provide the customer in writing of its policies regarding billing and invoicing.

The customer must reply by 23 October 2019 to accept or reject this decision.

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Date of Decision: 25 September 2019

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

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

- She was not adequately informed of her billing by the company.
- There was a leak at her place of residence, [ ]. ("the Property") and that she was not aware of it until February 2018 when she received a bill of £5,084.88.
- The billing was delayed and therefore the issue of the leak could not be addressed in time to save water and money.
- She contacted the company in February 2018 but that it failed to answer her letters and emails.
- The company has not provided a satisfactory customer service either regarding the billing or the reply to her complaint.
- She does not accept that the company relies on the automated invoicing system.
- She claims that the company should have been able to ascertain that there was a problem due to the high level of water being consumed and that it should have alerted her.
- She seeks an amount of £5,500 from the company as well as an undertaking to provide regular bills based on actual meter readings and provide a new meter that the customer is able to read.

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

- It is the retailer for the customer's account.
- It approached the wholesaler, RST Water("RST ") to request a leakage allowance on behalf of the customer but was refused.

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- The company states that RST decided that the customer's leak fell outside that which was eligible for a water leakage allowance.
- It accepts that it sent the customer's invoice late and that this failure prevented the customer from identifying the leak earlier by means of the billing.
- The company states that it accepts that the request for help from the customer made in February 2019 was not answered for some months and that this was also a failing.
- The company states that it has paid a total of £2660.63 in compensation to the customer and £2609.63 of this was paid in acknowledgement of its fault.
- The company states that it has fulfilled its duty in informing the wholesaler of the customer's request for a leakage allowance.
- It states that it carries out meter readings and that a new meter is not therefore necessary.
- It states that its meter readings are within the guidance and are reasonable and adequate.
- It has not made any further offers and disputes the claim.

**In reply the customer states:**

- That it is not possible for her to read the meter and that this undermines her ability to abide by her own responsibilities as a customer.
- The company has twice asked her for an actual meter reading.
- She does not believe that the amount given by the company is sufficient.
- She was never given any help or advice about the leak.

**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

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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 find it important to 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.
2. In order to clarify any potential confusion, I must also remind the parties that the company and RST Water ("RST") are separate and distinct organisations. The water services are being provided by the third-party RST. Following the rules of the WATRS scheme I cannot make any findings on third-party actions in my decision and must limit my considerations to matters between the customer and that company.
3. For clarity I shall examine the following. In April 2017 the water market opened up to retailers. All non-domestic customers were moved to a wholesaler/retailer split at that time. It must be noted that under the new arrangements that started in April 2017 a non-domestic customer only has a relationship with the retailer. The customer cannot bring a claim against the wholesaler directly, but only against the retailer. In this case no liability can be found in relation to RST and only the company has a direct legal relationship with the customer.
4. The customer states that there was a leak on her land that was made worse by the fact that the company was late in providing its billing services. The company accepts that it did bill the customer later than was expected and it further accepts that this meant that she could not ascertain that there was a problem from her charges.
5. The company has an obligation to provide adequate billing services to the customer and I find this was not done to a standard to be reasonably expected by the average person.

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6. The customer sought a leak allowance from the company. The company states that it passed this request on to the wholesaler and that it was refused. The company states that the wholesaler's policy meant that no leak allowance could be given in the customer's case. The following is from a letter submitted in evidence by the company, and is the reply of the wholesaler, "*The customer has advised that the leak was on the supply to the trough in the field as he has since capped the supply, therefore we would not offer any burst allowance for this leak. This customer does not pay for sewerage charges, so we would not consider any sewerage allowance.*"
7. The customer has not directly challenged this part of the company's defence.
8. I should note here that the limit of the company's responsibility is to present the customer's request for a leak allowance to the wholesaler. It is not thereafter responsible for the reply of the wholesaler nor can any argument against the decision of the wholesaler be used against the company.
9. The customer states that when she made contact with the company to seek assistance after she received the large bill of £5084.88 she did not hear back from the company for months. The customer states that she received no advice or help regarding the leak. The company has accepted that it failed to reply in a reasonable timeframe to the customer.
10. I have seen all the correspondence produced by the customer to support her claim. I have also carefully read the detailed letter of application submitted by the customer. I am satisfied that the customer has made the case that the company did not act in a reasonable manner in its customer service in this regard.
11. The customer claims that the company should have some system whereby it is alerted when a customer is using an unusually high amount of water, as she was. The company states, "*OFWAT guidelines stipulate a retailer must read a customer's meter once every two years, as you can see in evidence 5, [ ] are compliant with reading Ms. [ ]'s meter.*" I have noted the content of evidence 5 and see that more than one of the readings is estimated. I note that the customer has made the point in her reply that the readings are not always straightforward and that for this reason she would like a new meter to be installed.

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12. I have considered the guidance on this and I cannot find that there is any failing on the part of the company based on the information before me. I do appreciate that the customer finds it difficult to take a reading herself, however, the company is taking more readings than it is strictly obliged to. The problem appears to lay in its failure to present the invoice on time, which has already been dealt with above. I do not find that the company is under any obligation to provide a new meter.
13. On balance, I find that the company failed to present its billing on time which meant that the customer did not identify a leak on her land as soon as she might have had she been billed in a timely way. I also find that the company failed to provide its customer service properly in respect of the request for assistance sent by the customer in February 2018.
14. Remedy: The customer seeks compensation of £5,500 from the company. £5,000 of this amount is for wasted water due to the leak. £500 is for stress and inconvenience caused by the company's failures. I note here that the company has already made a payment of £2660.63, which, apart from £60, was made in acknowledgement of the company's faults. I have not found any other faults on the part of the company other than those which it has already accepted and for which it made this payment. The company cannot be held liable for the leak or wastage and has only been found liable for a failure in its service. The payment it made was calculated on the water charges but was in fact an amount of compensation for its delayed billing and poor service thereafter. The legal responsibility for the leaking pipe does not lie with the company and nothing in this application has shown otherwise. The amount paid by the company was at the higher end of compensation for poor service and I believe that the company tried to act equitably as it accepted that in the customer's case the poor service did have unusually difficult consequences for the customer. I find that the amount already paid by the company is adequate compensation. In light of this I do not make any direction for further payments to be made to the customer.
15. The customer seeks a direction that the company bill her regularly and base the billing on actual readings. The company has to abide by company guidance and has its own internal policies regarding how it produces billing. I cannot order the company to carry out its duties in a particular way as this would be outside the scope of WATRS. However, I note that the customer states that she has not had sight of the company's policies. I direct that the company inform the customer of its billing and invoice policies in writing.

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16. The customer seeks a new meter. I do not make this direction as I have not found that the evidence supports that there is any problem with the current meter in terms of its readings, although I do accept that it must be hard to use for the customer. Nonetheless, the company has illustrated that it can provide satisfactory billing with the current meter.

17. I anticipate that the customer will be disappointed in this outcome. She has clearly spent time and effort presenting a very detailed case. Nevertheless, I have to make a decision that is in keeping with the legal obligations of the parties, based on the evidence provided.

#### Outcome

The company needs to take the following further action: To provide the customer in writing of its policies regarding billing and invoicing.

#### What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 23 October 2019 to accept or reject this decision.
- If you choose to accept this decision, the company will have to do what I have directed within **20** working days of the date on which WATRS notifies the company that you have accepted my decision. If the company does not do what I have directed within this time limit, you should let WATRS know.
- If you choose to reject this decision, WATRS will close the case and the company will not have to do what I have directed.
- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.



J J Higgins, Barrister, ACI Arb.

Adjudicator

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