

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1435

Date of Decision: 24 July 2019

Complaint

The customer submits that the company took a payment of £1,198.00 from his account on 2 July 2018 via Direct Debit without notice. He raised a complaint; his usual bill is approximately £600.00 a year. A bill of over £17,000.00 was then subsequently received. A leak was detected and he arranged its prompt repair. He was awarded a small leak allowance of £277.10 by RST Water (RST). The company did not alert him to the spike in consumption, failed to bill correctly on the actual meter readings available and did not bill him in a timely manner. Had he been billed correctly on actual meter readings in a timely manner this would have alerted him to the leak sooner. The company has agreed a payment plan that will allow him to repay the outstanding balance and current charges at £100.00 per month. This was agreed with the company's CEO. It will take him between 35 and 40 years to repay the outstanding balance. Despite this arrangement and promises that debt recovery action would not take place, he was pursued through the company's debt recovery procedure via telephone and email. The customer has also raised other issues of customer service. The customer requests an apology, a leak allowance and compensation in the sum total of £20,394.96.

Defence

The company submits that as the retailer it submitted a leakage allowance request to RST who granted an allowance for sewerage. This allowance is in line with RST's policy for leaks situated on internal pipework. It was only when the allowance was challenged by the customer for being too little, that it was discovered that no allowance should have been granted, as the leak was private (faulty heater) and not on internal pipework. It was agreed that RST would not look to recover the allowance as this would be to the customer's detriment. It feels it has done everything it can in order to assist the customer and his business. It has conducted a full review of the account; to date £60.00 GSS has been applied to the account. It has subsequently discovered that one GSS payment was not due; as this was its mistake it will not look to remove the GSS already paid.

Findings

The company and RST are separate entities. This adjudication can only consider the duty owed by the company to its customers. It falls outside of my remit to consider any claims or complaints against RST. RST is responsible for granting any leak allowances/adjustments. The company's duty is to contact the

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

RST and raise the claim for a leakage allowance on the customer's behalf. I acknowledge the customer's claim and I can appreciate the customer's distress at receiving such a large bill. However, the evidence shows that the company has fulfilled its duty in this regard. It falls outside my remit to direct that the company award a leak allowance and/or waive the high consumption bill. However, the company failed to read the customer's meter within the required timescale, and the company provided a poor level of customer service on numerous occasions during the period of the complaint. I am therefore satisfied that the customer is entitled to a measure of compensation for the distress and inconvenience caused. For the avoidance of doubt, I acknowledge that the company has already made £60.00 GSS payments to the customer. However, I am not satisfied that that this compensation is sufficient, and fair and reasonable for the failings shown.

Outcome

The company needs to take the following further action:

I direct that the company pay the customer further compensation in the sum of £1,500.00. An authorised representative of the company should also provide a written apology to the customer directly.

The customer must reply by 21 August 2019 to accept or reject this decision.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1435

Date of Decision: 24 July 2019

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- He complained to the company having been alerted to an increase in his Direct Debit payment in July 2018. His usual bill is approximately £600.00 a year. A bill of over £17,000.00 was then received.
- During July 2018, a leak was detected and he arranged its prompt repair. He was awarded a small leak allowance of 170 cubic metres of water by RST Water (RST). This was the equivalent value of £277.10.
- However, he would like the company to award him a reduction against the high bill as a goodwill gesture; due to the lack of assistance it provided to alert him to the leak. The company did not alert him to the spike in consumption, failed to bill correctly on the actual meter readings available and did not bill him in a timely manner. Had he been billed correctly on actual meter readings in a timely manner this would have alerted him to the leak sooner.
- The company has agreed a payment plan that will allow him to repay the outstanding balance and current charges at £100.00 per month. This was agreed with the company's CEO. It will take him between 35 and 40 years to repay the outstanding balance. The only other option was to go bankrupt/insolvent.
- Despite this arrangement and promises that debt recovery action would not take place, he was pursued through the company's debt recovery procedure via telephone and email. This may suggest poor record keeping by the company. During this time he is in debt, it also means that he is precluded from choosing to switch to an alternative retailer until the full balance is repaid.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

- The company issued a bill on 3 June 2018 for the period 1 July 2017 to 31 December 2017. The readings provided to the customer were both estimated, 594 on 31 December 2017 and 523 on 30 June 2017. This invoice was issued six months later. This would not have alerted him to any issues.
- A further bill was then issued on 9 June 2018 for the period 1 January 2018 to 10 June 2018 with an estimated reading on 31 December 17 of 594 and then an actual reading of 6929 on 8 May 2018. Prior to this, he was last billed using an actual meter reading in June 2016 on a read of 378, some 23 months previously. The company has offered £40.00 compensation for this failure.
- The meter reading of 6929 recorded on 8 May 2018 was not applied to the bill of 3 June 2018. The company explained that the reason for this may have been that its billing system did not print the invoice in pdf format.
- The company did not offer a service at the time to alert customers to high consumption. This service is now available, yet is chargeable to the customer.
- The Consumer Council for Water (CCW) requested copies of call notes from/to the customer or call recordings from the company. The company explained that whilst it is aware of numerous calls received, it does not have actual records of these calls. Again this suggests poor record keeping by the company and precluded CCW from being able to make a final decision.
- The customer requests an apology for the poor service he has received. The customer also requests a leak allowance, and compensation in the sum total of £20,394.96 comprising of £2,500.00 compensation for distress and inconvenience; £1,198.00 for a payment taken from his account on 2 July 2018 without notice via Direct Debit and £16,696.96 to cover the water bill.

The company's response is that:

- As the customer's retailer it submitted a leakage allowance form to RST who granted an allowance for sewerage which equated to £277.10. This allowance is in line with RST's policy for leaks situated on internal pipework.
- It was only when the allowance was challenged by the customer for being too little, that it was discovered that no allowance should have been granted, as the leak was private (faulty heater) and not on internal pipework.
- It was agreed that RST would not look to recover the allowance as this would be to the customer's detriment and it had already been applied to the customer's account.
- As the customer's retailer, it feels it has done everything it can in order to assist the customer and his business. The customer has been in direct contact with its CEO [], Director of

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

Customer Experience [] as well as Complex Queries Team Leader, [] throughout the duration of his complaint.

- Following lengthy discussions, and understanding the position the customer was in, it offered the customer an affordable repayment plan of £100.00 per month in order to make the debt more manageable, something which the customer accepted.
- It has conducted a full review of the account and history and checked the (General Service Standard) GSS payments to the account, to date £60.00 GSS has been applied to the account. £20.00 was paid to failure to respond with required timescales; £20.00 was paid due to billing the customer six months late; and £20.00 was paid due to the reading dated 8 May 2018 not being considered. It has subsequently discovered that this latter GSS payment was not due, as it was the bill produced which covered the period 31 December 2017 to 10 June 2018, which took this meter read into consideration. As this was its mistake it will not look to remove the GSS already paid.

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 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.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

How was this decision reached?

Wholesaler and Retailer

1. In April 2017 the water market in England opened up to retailers and all non-household customers were moved to a retail/wholesale structured service.
2. The evidence shows that the company is the retailer and RST is the wholesaler. Retail companies and wholesale companies are separate entities. The customer has a contractual relationship with the retailer only. Under the Water Redress Scheme, a customer can only make a complaint against the company with whom they have a contractual relationship with; that is, the retailer. Therefore, for the purposes of this decision, my remit is to determine the issues between the customer and the company.
3. This adjudication can only consider the duty owed by the company to its customers. The company's duty is to contact the wholesaler and raise any claims or query any decisions on the customer's behalf.
4. It falls outside of my remit to consider any claims or complaints against RST.

Leakage allowance

5. The evidence shows that RST, and not the company, is responsible for granting any leak adjustment/allowances. The company's duty is to contact the wholesaler and raise the claim for a leakage allowance on behalf of the customer.
6. It is not in dispute that the leak was from a faulty heater and therefore on private pipework.
7. The company has submitted an excerpt of the wholesaler's leakage allowance policy in evidence that confirms its submissions that under the wholesaler's policy a leak allowance will not be granted if the leak was on private pipework, (albeit that an allowance of £277.10 was initially given by RST in error).
8. I acknowledge the customer's claim and I can appreciate the customer's distress at receiving such a large bill. However, as explained above, any claim or complaints against RST cannot be

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

considered under this adjudication. It falls outside of my remit to challenge or query the wholesaler's leakage allowance policy. The company's duty is to contact the wholesaler and liaise on behalf of the customer, and the evidence shows that the company has fulfilled this obligation. I therefore find that the company has not failed to provide its services to the standard to be expected in this respect.

Reading the meter

9. As acknowledged by the company, the company is obliged to read its customers' meters once a year. The evidence shows that after the non-household market opened on 1 April 2017 and the company took over the customer's account, the company did not read the customer's meter until 8 May 2018; more than a year later. The company therefore failed to provide its services to the customer to the standard to be reasonably expected in this regard.

10. However, notwithstanding the above, I am mindful that that the company is only required to read a meter once a year. There is no evidence to show that the company is under an obligation to monitor customers' consumption and notify customers if it considers that their usage is higher than expected, unless customers have paid for this service. Customers therefore share the responsibility to check their consumption by taking regular meter readings themselves if the meter is easily accessible. In light of this, I am therefore also inclined to accept the company's submissions that customers should not solely rely on their retailer to alert them to unexpected increase in consumption, and that it is not wholly liable.

Customer service

11. The customer has also raised a number of issues of poor customer service.

12. The customer has submitted evidence to show that the company withdrew £1,198.00 by Direct Debit from his account on 2 July 2018. There is no evidence to show that the company gave the customer notice of the change to his Direct Debit prior to withdrawing the £1,198.00. In the absence of any evidence showing otherwise, I find that the company failed to provide its services to the customer to the standard to be reasonably expected in this regard.

13. The customer submits that when he first raised the complaint with the company, some staff were unhelpful and obstructive until he was forced to contact the company's CEO and Financial

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

Director by social media and email. The customer's submissions are clear, credible and consistent with the documents. I therefore accept the customer's submissions and I find that the company failed to provide its services to the standard to be reasonably expected in this regard. I also note the customer's and CCW's submissions that although the company acknowledged that it is aware of numerous calls received, it explained it did not have actual records of these calls. The company's statements in its letter to CCW of 16 April 2019 also support this. It is fair and reasonable to expect a company to keep a record of a customer's contact with it. I also find a failing on the company's part in this regard.

14. It is not in dispute that the company issued the customer's bill for the period 1 July 2017 to 31 December 2017, six months late. I find a failing on the company's part in this regard.

15. It is also not in dispute that although the company agreed that debt recovery action would not be taken against the customer for the outstanding debt, the company pursued the customer for the debt. The customer submits that the company contacted him eight times by telephone and also by email and letter chasing for payment. The evidence shows that it was only after the customer was forced to contact the company's CEO by email that a permanent hold was placed on the account. I find a failing on the company's part in this regard.

16. However, in respect of the customer's claim that the company failed to bill correctly on the actual meter readings available, having considered the evidence submitted I will accept the company's submission that it was correct to apply the reading recorded on 8 May 2018 on the bill for the period 31 December 2017 to 10 June 2018 and not that for the period 1 July 2017 to 31 December 2017. I therefore do not find a failing on the company's part in this regard. However, it is worth noting that it was not until the company was investigating the matter for its WATRS Defence that it realised that it had paid the customer compensation by mistake. Although I note the company's submissions that it will not seek to recover this payment from the customer, I am also inclined to find that this error is another example of the company failing to provide its services to the standard to be reasonably expected.

Redress

17. In respect of the customer's request that the company award him a leak allowance and/or £16,696.96 to cover the water bill, as discussed above, the company is not responsible for

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

granting any adjustment/allowances towards the high consumption bill, I can therefore make no directions in this regard.

18. Similarly, in respect of the customer's request for compensation in the sum of £1,198.00 for a payment taken from his account without notice via Direct Debit, this sum forms part of the outstanding balance for the high consumption bill. As discussed above, the company is not responsible for granting any adjustment/allowances towards the high consumption bill, I can therefore make no directions in this regard. However, I will award compensation for the distress and inconvenience caused by the company in failing to notify the customer of a change to his Direct Debit below.

19. The customer also requests £2,500.00 compensation for distress and inconvenience. Bearing in mind the fact that the company failed to read the customer's meter within the required timescale; that the customer has been chased for a debt in error; and that the company provided a poor level of customer service on numerous other occasions as discussed above, I am satisfied that the customer is entitled to a measure of compensation for the distress and inconvenience caused. However, I find that the amount claimed by the customer is disproportionate to the failings shown and not in line with the WATRS Compensation Guidelines. Having carefully considered the evidence provided, I find the sum of £1,500.00 to be a fair and reasonable level of compensation. I therefore direct that the company pay the customer the sum of £1,500.00 in compensation. For the avoidance of doubt, I acknowledge that the company has already made £60.00 GSS payments to the customer. However, I am not satisfied that that sum is sufficient, and fair and reasonable for the failings shown. I therefore direct that the company pay the sum above in addition to the amount already paid.

20. In respect of the customer's claim for an apology, in light of my findings above, I find that it would be fair and reasonable that an authorised representative of the company provide a written apology to the customer directly.

Outcome

The company needs to take the following further action(s):

I direct that the company pay the customer further compensation in the sum of £1,500.00. An authorised representative of the company should also provide a written apology to the customer directly.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 21 August 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.



U Obi LLB (Hons) MCI Arb
Adjudicator

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.