

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1438

Date of Decision: 19 August 2019

#### Complaint

The customer submits that the dispute is about liability for an outstanding balance following a leak at the property. He is the landlord. His correspondence details were not passed to the company by RST Water (RST), the wholesaler, when the market opened in 2017. He did not know that the consumption had been estimated for a long period and masked that there was an internal leak at the property. Had the meter been read within the correct timeframe, and invoices been correctly issued to the correspondence address, the problem would have been identified a lot sooner and the balance would not have accrued in excess of £5,000.00. The customer requests that the company provide a leak allowance against the high bill and contends that the £100.00 goodwill gesture awarded is not commensurate with the company's service failures.

#### Defence

The company submits that the leak was due to a toilet overflowing and a leakage allowance is not applicable under the wholesaler's policy in this case. It acknowledges that it failed to read the meter. However, it did instruct Metering Technicians on several occasions to obtain a read, but they were unable to gain access to the meter. When the Non-household (NHH) market opened RST did not provide alternative billing addresses, as the retailer it acted on the information provided and invoiced the customer in accordance to the market data. Upon the privatisation of the Water Industry for NHH customers all customers were informed in writing of the changes by RST. Between April 2017 when the NHH market opened and November 2018, no attempts were made on the customer's part to enquire about any missing invoices or to query the consumption used. It remains the customer's responsibility to ensure he both receives and pays for the consumption and services being used. To date it has paid the customer a total of £100.00 as a gesture of goodwill. £60.00 for the failure to read the customer's meter; £20.00 for the billing address not transferring across when migrated from RST; and £20.00 for the length of time the Leakage Allowance case was open without a response or update being provided to the customer.

#### 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

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granting any leak allowances/adjustments. The evidence confirms that the customer is ineligible for a leak allowance under RST's policy. I acknowledge the customer's claim and I can appreciate the customer's distress at receiving such a large bill. However, it falls outside of my remit to challenge or query the wholesaler's leakage allowance policy. RST failed to pass the customer's correspondence details to the company. Again, any claim or complaints against RST cannot be considered. However, I have found a failing on the company's part for failing to give a clear answer when the customer first contacted it to ask why invoices had not been sent to the requested correspondence address. The company acknowledges that it failed to read the meter from 1 April 2017 to 14 May 2019; a period of over two years. There is no evidence to show that it made any attempt to contact the customer and/or any of the property's occupants to inform them that it required access to the meter. I find that it would have been fair and reasonable to do so. However, I am mindful that under OFWAT guidelines the company is only required to read a meter once a year. Customers share the responsibility to check their consumption by taking regular meter readings themselves, if the meter is easily accessible, and should not solely rely on their providers to alert them to unexpected increase in consumption. The company delayed in providing the customer with a response or update to his leak allowance application.

#### Outcome

The company needs to take the following further action:

I direct that the company pay the customer an additional sum of £75.00 in compensation.

The customer must reply by 17 September 2019 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1438

Date of Decision: 19 August 2019

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

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

- The property is a large premises which contains multiple tenanted properties. He is the landlord and is responsible for the charges for seven bed-sits. The property also comprises of one self-contained flat, the tenant of which is responsible for his own utility bills.
- The dispute is about liability for an outstanding balance following a leak at the property. His correspondence details were not passed to the company by RST Water (RST ), the wholesaler, when the market opened in 2017. He did not know that the consumption had been estimated for a long period and masked that there was an internal leak at the property.
- Until the market opened he received all correspondence concerning the rental property at his own property address. He did not visit the rental property often. When clearing out the property on 29 October 2018, he found an invoice from the company and contacted it to ask why it had been sending invoices to the supply address and not the correspondence address, as previously arranged with the wholesaler. He was not given a clear answer by the company. He made a payment of £250.00 by card as the Direct Debit had also been cancelled since the market opened.
- The company requested a meter reading and he gave it a reading of 6024 m<sup>3</sup>, and it was clear to him at this point that there was an issue with the consumption.
- He contacted a plumber and the plumber investigated a leak, but was not able to locate one. The self-contained flat is responsible for paying its own utility bills and at the time it was believed

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that it had its own water supply. After checking the seven bed-sits, the plumber gained access to the flat and found that the toilet had been leaking back to waste.

- Had the meter been read within the correct timeframe, and invoices been correctly issued to the correspondence address, the problem would have been identified a lot sooner and the balance would not have accrued in excess of £5,000.00.
- The customer requests that the company provide a leak allowance against the high bill and contends that the £100.00 goodwill gesture awarded is not commensurate with the company's service failures.

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

- The leak was situated on a leaking appliance and that itself does not comply with the leakage allowance policy owned by RST.
- It is also mentioned within the customer's email that the leak was made worse due to the tenant interventions with the ballcock. Therefore, this leak may have been caused because of this and therefore, it is considered negligence and would also not be covered under the wholesaler's policy.
- It failed to read the meter from 1 April 2017 to 14 May 2019, when a cyclic (true) read was obtained. It failed to read the meter in line with its obligations under OFWAT Guidelines to read customers' meter at least once a year. In addition, its own policy is to read the meter at least once every six months.
- However, it did instruct Metering Technicians on several occasions to obtain a read, but they were unable to gain access to the meter. As this meter was not accessible to its technicians and multiple attempts had been made to read the meter it cannot be responsible for the leak going undetected.
- When the Non-household (NHH) market opened, RST provided it with all the vital information required to ensure the customer was billed correctly moving forward in the new structure. This included supply details, tariff charges, customer details including length of time in the property, and meter read history and consumption data. However, when this information was entered into the market it did not include billing addresses therefore, as the retailer it acted on the information provided and invoiced the customer in accordance to the market data.
- The NHH market opened on 1 April 2017. Upon the privatisation of the Water Industry for NHH customers all customers were informed in writing of the changes by RST; making customers aware of their new retailer and returning the responsibility of monitoring the account to the customers. Between April 2017 when the NHH market opened and November 2018, no

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attempts were made on the customer's part to enquire about any missing invoices or to query the consumption used. Therefore, 17 months passed without the customer questioning why he had not been in receipt of invoices for water and sewerage charges.

- It remains the customer's responsibility to ensure he both receives and pays for the consumption and services being used. It is the customer's responsibility to ensure he is actively managing his supply.
- Following the opening of the NHH market several invoices were sent to the premises in which his tenants occupy and following a search on its system none were returned unopened.
- To date it has paid the customer a total of £100.00 as a gesture of goodwill. £60.00 for the failure to read the customers' meter; £20.00 for the billing address not transferring across when migrated from RST; and £20.00 for the length of time the Leakage Allowance case was open without a response or update being provided to the customer.

### 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.

### How was this decision reached?

1. I must remind the parties that adjudication is an evidence-based process.

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2. 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.

### ***Wholesaler and Retailer***

3. In addition 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.
4. 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.
5. 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.
6. It falls outside of my remit to consider any claims or complaints against RST .

### ***Leakage allowance***

7. The evidence shows that RST, and not the company, is responsible for granting any leak adjustment/allowances.
8. It is not in dispute that the leak at the property was due to an overflowing toilet, and therefore on internal pipework.
9. 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 the customer's internal pipework. The customer is therefore ineligible for a leak allowance under the RST 's policy.

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10. 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 considered under this adjudication. It falls outside of my remit to challenge or query the wholesaler's leakage allowance policy. I find that the company has not failed to provide its services to the standard to be expected in this respect.

***Correspondence details not passed to the company by RST***

11. The parties submit that the customer's correspondence address was not provided by RST during the NHH migration.

12. Again, any claim or complaints against RST cannot be considered under this adjudication.

13. In the absence of any evidence showing otherwise, I also find no failing on the company's part in this regard.

14. However, notwithstanding the above, the customer has also raised a complaint that he was not given a clear answer by the company when he first contacted it to ask why it had been sending invoices to the supply address and not the correspondence address. I note that the company acknowledges, in its email of 14 March 2019, that it failed to provide a reasonable level of service in this respect. I therefore find a failing on the company's part in this regard.

***Direct Debit cancelled***

15. The customer raises a complaint the Direct Debit had also been cancelled since the market opened. However, no evidence has been submitted to this adjudication showing the fault for this lies with the company. In the absence of which, I find no failing on the company's part in this regard.

***Reading the meter***

16. The company acknowledges that it failed to read the meter from 1 April 2017 to 14 May 2019; a period of over two years. The company itself admits that it failed to provide its services to the customer to the standard to be reasonably expected in this regard both in relation to OFWAT guidelines and its own policy. I note the company's submissions that it did instruct Metering

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Technicians to obtain a read during the period; on 12 June 2018 and 7 December 2018, but they were unable to gain access to the meter. However, there is no evidence to show that it made any attempt to contact the customer and/or any of the property's occupants to inform them that it required access to the meter. I find that it would have been fair and reasonable to do so. The company has failed to provide its services to the standard to be expected by the average person in this respect.

17. However, notwithstanding the above, I am mindful that under OFWAT guidelines the company is only required to read a meter once a year. There is also 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. Customers therefore share the responsibility to check their consumption by taking regular meter readings themselves, if the meter is easily accessible. Customers should therefore not solely rely on their bills or their water and sewerage providers to alert them to unexpected increase in consumption – water and sewerage companies are not wholly liable.

### ***Customer service***

18. The evidence shows that although the customer submitted a leak allowance application on 18 December 2018, the company did not provide the customer with a response or update until 13 February 2019; nearly two months later. As acknowledged by the company, the company failed to provide its services to the standard to be expected in this regard.

### ***Redress***

19. In respect of the customer's request that the company provide a leak allowance against the high 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.

20. I note that the customer also contends that the £100.00 goodwill gesture awarded is not commensurate with the company's service failures. The company paid the customer £60.00 for the failure to read the meter; £20.00 for the billing address not transferring across when migrated from RST; and £20.00 for the length of time the Leakage Allowance case was open without a response or update being provided to the customer. I find no failing on the part of the company in relation to the billing address not been transferred. I therefore make no further

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direction in this regard. However, I am not satisfied that the sums paid for the company's failure to read the meter and the delay in responding to the leakage allowance request is sufficient, and fair and reasonable for the failings shown. In addition, as discussed above, I have also found a failing on the company's part for failing to give a clear answer when the customer first contacted it to ask why invoices had not been sent to the correspondence address. Having carefully considered the evidence provided, I find the additional sum of £75.00 to be a fair and reasonable level of compensation. I therefore direct that the company pay the customer an additional sum of £75.00 in compensation. This direction is made in accordance with WATRS Rule 6.6 which provides that an adjudicator can award more than has been claimed by the customer in exceptional circumstances.

### **Outcome**

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

I direct that the company pay the customer an additional sum of £75.00 in compensation.

### **What happens next?**

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 17 September 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.

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A handwritten signature in black ink, appearing to read 'G. J. J.', enclosed within a thin, hand-drawn oval.

**U Obi LLB (Hons) MCI Arb  
Adjudicator**

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