

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1507

Date of Decision: 16 December 2019

Complaint

The customer states that after the company rectified an error with incorrect billing the company then incorrectly added an historic debt to his account for the period 2006 to 2013. The customer is seeking for the company to write off his historic outstanding balance and to pay compensation of £500.00 for the inconvenience and stress incurred.

Defence

The company submits that the historic debt is payable irrespective of age. The customer had use of the company's services between 2006 and 2013 for which a balance remains outstanding. Furthermore, the company has cancelled all the incorrect charges from 2006 due to the incorrect billing issue and has provided the customer with bills based on his actual consumption. The company admits some failings regarding customer service for which the customer has already been offered adequate compensation for and therefore the company is not liable for any further damages in this respect. The company has not made any offers of settlement.

Findings

I am satisfied the evidence shows the company did not fail to provide its services to the customer to the standard to be reasonably expected regarding adding an historic debt to the customer's account. However, I am satisfied there have been failings with regard to customer service for which the customer has not been adequately compensated for. Therefore, I direct the company to pay £75.00 to the customer for failed to provide its services to the customer to the standard to be reasonably expected by the average person.

Outcome

The company shall pay the customer £75.00.

- The customer must reply by 16 January 2020 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1507

Date of Decision: 16 December 2019

Party Details

Customer: []

Company: []

Case Outline

The customer's complaint is that:

- After the company rectified an error with incorrect billing the company then incorrectly added an historic debt to his account.
- The customer is seeking for the company to write off his historic outstanding balance and to pay compensation of £500.00 for the inconvenience and stress incurred.

The company's response is that:

- A historic debt is payable irrespective of age. The customer had use of the company's services between 2006 and 2013 for which a balance remains outstanding.
- Furthermore, the company has cancelled all the incorrect charges from 2006 due to the incorrect billing issue and has provided the customer with revised bills based on his actual consumption.
- The company admits some failings regarding customer service for which the customer has already been offered adequate compensation for and therefore the company is not liable for any further damages in this respect.

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.

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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 the company has failed to provide its services to the standard one would reasonably expect and 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. The dispute centres on whether the company is entitled to add an historic debt to the customer account.
2. The company is required to meet the standards set out in OFWAT's Charges Scheme Rules and the Water Industry Act 1991.
3. Furthermore, the company also has certain obligations in respect of its customer services as set out in OFWAT Guaranteed Standards Scheme and the company's own Customer Guarantee Scheme.
4. From the evidence put forward by the customer and the company, I understand that on 23 November 2018 customer initially contacted the company to complain that his measured water charges were too high for two occupiers. As a result, the company conducted a water efficiency visit in December 2018, and it was established that the customer was charged on an incorrect water meter. It transpires from the company's investigations that the customer had been billed against the wrong meter since March 2006, when he purchased and moved into a new building development. The company states that it was found that the water consumption on both the incorrect meter and new meter were almost identical and as both meters were read on the same dates, and based on the 'average daily use' calculation, the customer had used slightly less water on his own 'correct' meter which resulted in a credit to the customer. The evidence shows that the company then re-billed the customer's account backdating it to 2013 using the

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correct water meter data and all previous customer payments were credited back to the customer and reapplied against his new bill. However, the evidence shows that in the process of this re-calculation, the company identified that there was a debt in the sum of £1,166.55 which the company had 'archived' due to non-payment by the customer. but now added back onto the customer's account following the recent adjustment. This increased the customer's outstanding balance even more than it was prior to the efficiency visit in December 2018. The company states that in line with its debt policy, archived debt is usually reintroduced when the customer's payments mean that his account comes back into credit. However, as the debt was now added to the customer's account, it was not possible to re-archive and debt immediately becomes payable. The customer was unhappy with the increase in his charges and contacted CCWater to pursue matters further. However, the company response was that the 'debt' was for water the customer has used, and payment was now due regardless of how it was added back onto the account.

5. With regard to the customer's comments that the company has not acted fairly by reinstating the archived debt and that the balanced is incorrect. On review of the evidence, it seems there is no dispute that the company's services were used from 2006 and therefore I find the customer is liable for this usage whether or not any debt was archived. The evidence shows that between 2006 and 2013 the customer failed to pay sufficient payments to clear his bills and accordingly a debt built up. With regard to whether the sums were correct, the evidence shows that as the company has all the records of the correct meter readings from 2006 for the customer it was able to calculate accurately what the customer should have been charged. The evidence shows that the company made a number of adjustments to the both the historic debt and the account from 2013 to reflect the correct meter readings and it transpired that there a small credit to be applied to the customer's account, however, there still remained a balance due to the company for the period prior to 2013. The company states that to correct the customer's account, the debt prior to 2013 had to be written back on to the customer's account first to balance the account. Otherwise, the customer would have received a refund of overpayments when in fact this would not have been correct because the customer would have then benefitted twice for the same amounts. After careful analysis of the company's calculations and evidence, I find that the company has correctly calculated the revised sums based on the customer's actual meter readings has not failed to provide its services to the customer to the standard to be reasonably expected by the average person with regard to the historic debt.

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6. I note the customer's comments concerning that the company policy is only to recover debt which has not surpassed six years. Under English Law if the company waits too long to take court action, in this instance, the debt will become statute barred. This means the debt still exists, but the company will be unable to use the Courts to recover it. Section 143 of the Water Industry Act 1991 gives the company the power to set a Charges Scheme. The company states where a bill has not been paid a debt recovery process is in place for all of its customers in line with its Charges Scheme and it is only fair that the company enforces this process to help keep the cost of its service as low as possible for all of its customers. That includes the company's debt archiving process. The evidence shows that the company's Charges Scheme states that whenever possible the company must collect all payments due including arrears. In light of the above, I find there are no grounds to conclude the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person with regard to the historic debt, the company debt archiving and retrieval processes or the recalculation of the sums due based on the customer's actual meter reading. Accordingly, I find that the customer's requested redress that the company write off his historic outstanding balance fails.
7. The company has certain obligations in respect of its customer service, and I find the customer has been adversely affected by being provided incorrect billing information and the time taken to resolve his account. However, I am satisfied the company accepts it provided poor service in this respect as explained within its defence. I understand from the company's defence the customer was offered £75.00 compensation for these failings. Whilst I sympathise with the customer regarding the inconvenience and distress, I find on careful review of all the evidence his requested redress of £500.00 disproportional to merits of the claim and I am satisfied the company's offer of compensation of £75.00 is fair and reasonable in the circumstances to cover the complaint and any distress or inconvenience to the customer. Therefore, I direct the company to pay £75.00 to the customer to cover this aspect of the customer's claim.
8. In light of the above, I find the customer has not proven the company failed to provide its services to the customer to the standard to be reasonably expected by the average person with regard to the historic debt or recalculation of the sums due based on the customer's actual meter reading, nor has the customer proved the company failed to provide services to the standard to be reasonably expected when investigating these issues. However, I am satisfied there have been failings with regard to customer service for which the customer has not been adequately compensated for. Therefore, I direct the company to pay £75.00 to the customer for

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failed to provide its services to the customer to the standard to be reasonably expected by the average person.

Outcome

The company shall pay the customer £75.00.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 16 January 2020 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.
- When you tell WATRS that you reject the decision, the company will be notified of this. The case will 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.



Mark Ledger FCI Arb
Adjudicator

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