

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1558

Date of Decision: 4 September 2019

#### Complaint

The customer's claim is that he should be entitled to a further leak allowance and compensation in the sum of £1500.00. The customer indicates that he was provided with leak allowance of £1809.66 but the wholesaler (RST Water) would not agree to provide any further allowance. The company, in its capacity as the customer's water retailer, has explained to the customer that the wholesaler has refused to provide any further leak allowance. The company has apologised to the customer for the delays in its responses and has applied a £100.00 gesture of goodwill to the customer's account. The customer remains displeased with this position.

#### Defence

The company explains that the water wholesaler's position is that it has provided the customer with the appropriate leak allowance. The wholesaler does not accept that it should provide any further leak allowance. The company has challenged the wholesaler's position on behalf of the customer (in its capacity as the customer's water retailer) but the wholesaler has advised that it will not depart from its position and therefore rejects the customer's claim. The company accepts that there have been some shortfalls in its customer service provision but it has already provided the customer with appropriate compensation for these oversights. The company states that, in light of the above, it does not accept any further liability for the customer's claims for redress.

#### Findings

The company has demonstrated that it appropriately carried out its obligations in its capacity as the customer's water retailer and appropriately addressed any shortfalls in its service provision. Consequently, in the absence of any unresolved material failures on the part of the company, I find that the customer's claims for redress cannot succeed.

*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.*



**Outcome**

The company does not need to take any further action.

The customer must reply by 1 October 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/ /1558

Date of Decision: 4 September 2019

## Party Details

Customer: [ ].

Company: [ ].

## Case Outline

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

- The customer does not accept liability for an outstanding balance of £4451.96 on their account.
- The customer explains that they experienced a number of leaks at their premises and they are not satisfied with the company and wholesaler's services.
- The customer believes that the water leak is coming from the wholesaler's assets. He states that he has spent many hours trying to engage with the company but has not received satisfactory support from it.
- The customer states that he has offered the company £400.00 in full and final settlement to resolve this matter. However, the company has not accepted this offer.
- The wholesaler has applied a leak allowance to the customer's account in the sum of £1809.66 but states that it will not apply any further allowance as the leaks were located on the customer's own pipes.
- The customer indicates that the retailer has provided £100.00 in compensation for its service provision failures (relating to its late responses). The company and wholesaler do not accept that any further payment is due to the customer.
- The customer is unhappy with this position and is now seeking a further leak allowance and compensation in the sum of £1500.00 (for loss of earnings).

*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's response is that:**

- The company does not accept the customer's claims for redress.
- It confirms that the customer reported a serious leak on 12 January 2018.
- Following receipt of a completed bursts and leaks form, the customer was granted an allowance of £1809.66 (which was applied to the account). After this credit was applied, a credit balance of £2445.09 was generated on the account.
- In March 2018, the customer requested that the credit of £2445.09 be paid out to him. Accordingly, a cheque for £2445.09 was provided to the customer.
- Unfortunately, because the customer's account records were not up to date, it became apparent that the £2445.09 credit balance was not actually correct. However, as a gesture of goodwill, the company honoured the £2445.09 credit. Accordingly, the customer benefitted from this error.
- The company states that, as the customer's water retailer, it has challenged the wholesaler on his behalf. However, the wholesaler maintains its position that the customer is not entitled to any further leak allowance.
- The customer also raised claims for additional expenses and loss of revenue. The company explained that the wholesaler had advised that this would need to be submitted directly to their operations team for consideration.
- The company accepts that there were five occasions on which its email responses were provided late. Accordingly, it has applied £100.00 to the customer's account in recognition of these shortcomings. In addition, a further £150.00 was applied to the customer's account for any inconvenience experienced in connection with this matter.
- In any event, the company confirms that it has fulfilled its obligations as the customer's water retailer and challenged the wholesaler on the customer's behalf. However, the wholesaler has declined to change its position.
- In light of the above, the company does not accept any further liability for the customer's redress claims.

### **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.

***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.***

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. It is evident that the customer's core complaint rests with the fact that the water wholesaler has rejected their claim for a further leak allowance. The customer is unhappy with this position (as well as the company's customer service provision in connection with this matter) and is now claiming for a further leak allowance and compensation in the sum of £1500.00 (for loss of earnings).
2. I remind the parties that adjudication is an evidence-based process and in order for any remedy to be awarded, the evidence must show that the company has not provided its services to the standard that would reasonably be expected of it.
3. I acknowledge that the customer is unhappy with the wholesaler's decision to reject their request to provide a further leak allowance. In order to make a decision in this matter, I must clearly distinguish between actions taken by the wholesaler and the duty owed by the retailer (the company) to its customers. Since the water market in England opened up to retailers in April 2017, all non-household customers have been moved to a wholesale/retail split service. As a result, a non-household customer now only has a relationship with the retailer. In turn, an adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, as the party to the case, has responsibility, and not those things for which the wholesaler has responsibility. This includes, however, the effectiveness with which the retailer has operated as an intermediary between the wholesaler and the customer.

***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.***

4. Whilst I am unable to consider any concerns regarding the wholesaler's service actions (such as its disagreement with the customer regarding the location of the leaks) or its decision to reject the customer's claim to provide a further leak allowance, I am able to look at whether the service provided by the company ([ ] Limited) has met the standard to be reasonably expected (of a water retailer) by the average person. I will proceed accordingly.
5. Following careful review of all the submissions and documents provided by the respective parties, overall, I am satisfied that the company has met its obligations to the customer as a water retailer. Specifically, I note that the company pursued the wholesaler on the customer's behalf and appropriately conveyed their challenge to its rejection of their claim.
6. However, the wholesaler ultimately declined to depart from its position, explained how it reached its decision and upheld the rejection of the customer's claim. The company then conveyed the wholesaler's position to the customer. Accordingly, under the circumstances, I am satisfied that the company acted appropriately to pursue the wholesaler in relation to the customer's complaint and appropriately explained its position to the customer. I also note that the company appropriately explained to the customer its limitations as a water retailer and that it cannot control the decisions/actions of the water wholesaler (or be held responsible for the wholesaler's decisions/actions).
7. I note that the company accepts that there have been some service shortcomings on its part and has highlighted details relating to these shortcomings. However, under the circumstances, I am satisfied that the company's provision of compensation in the amounts of £100.00 and £150.00 as a gesture of goodwill (in recognition of its oversights) was fair and reasonable. In addition, I also note that the company erroneously provided the customer with a refund in excess of the sum that was correctly due. However, I acknowledge that the company opted to honour this refund as a gesture of goodwill and therefore the customer ultimately benefitted from this company error. Accordingly, I am satisfied that these matters have already been appropriately addressed by the company.
8. Therefore, in light of all the above, I am not satisfied that there are any unresolved material failures on the part of the company to provide its services to the standard to be reasonably expected by the average person. Consequently, in the absence of any unresolved failures on

***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 part of the company (in its capacity as a water retailer), I find that I am unable to uphold the customer's claim for redress.

9. This marks the end of the WATRS stage of the customer's complaint. The customer is not obliged to accept this decision and is free to pursue resolution through all other avenues as available to them.

#### **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 1 October 2019 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.



**E. Higashi** LLB (Hons), PGDip (LPC), 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.*