

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/1824

Date of Decision: 17 June 2020

Complaint

The customer raised concerns about a large bill that he received in March 2018. He considers that the size of the bill is due to a leak, but that the effects of the leak were masked by the fact that the company and its predecessor (Removed) had, for a long period of time, sent him bills based on erroneous readings and estimates due to a faulty radio head on his meter. The customer therefore asks that the company credit his account with the amount of £5,103.75, as well as paying him £6,745 for stress and inconvenience and time spent dealing with his claim. Finally, he asks that the company replace the radio head which he considers is still not working properly, or alternatively remove it to allow manual readings to be taken.

Response

The company contests the claim on the basis that the customer does not meet the criteria for a leak allowance as set out in the policy of the wholesaler, (Removed). The company considers that it has taken all reasonable steps to pursue the leak allowance with the wholesaler, but it has been refused. The company also notes that it applied a credit of £1,820.40 to the customer's account in recognition of the fact that it had not provided the customer with invoices based on accurate readings and a further credit of £100.00 for service failings. It does not consider that it should be required to pay any further sums.

Findings

I find that the company should credit the customer for the water lost as a result of the leak at his property. I find this not on the basis of (Removed) leak allowance policy, but rather because the customer was prevented from discovering and repairing the leak because the radio head on the customer's meter was faulty, and because the company subsequently failed to provide the customer with actual meter readings. The company should therefore credit the customer's account with the sum of £5,103.75. I find that this situation has caused the customer distress and inconvenience and, noting that awards on this ground are usually modest, I award the customer £100. I do not award the customer compensation for the time that he has spent pursuing the claim. I find that there is insufficient evidence to show that the radio head is still faulty, so I do not order the company to replace or remove it.

Outcome

If the customer accepts this decision, the company must, within 20 working days of receipt of the acceptance, credit the customer's account with the sum of £5,203.75.

The customer must reply by 07 August 2020 to accept or reject this decision.

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ADJUDICATOR'S DECISION

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Date of Decision: 17 June 2020

Party Details

Customer: (Removed)

Company: (Removed)

Case Outline

The customer's complaint is as follows:

- The customer submits that the company has billed him on the basis of incorrect meter readings since 2013, as a result of a faulty radio head attached to his meter. These readings were too low, and when a correct meter reading was taken in March 2018, the customer was then faced with a higher than expected bill which he will have difficulty recovering from his tenants.
- The customer is responsible for collecting money and making payment to the company for 15 properties served by a bulk meter situated on an industrial estate, 5 of which are owned by the customer. Each of the individual properties has a sub-meter, which the customer reads and then collects payment from the individual property holders. In this matter, the customer is acting on behalf of the other property holders with their authorisation.
- On 30 November 2011, the company's predecessor, (Removed) fitted a new bulk meter with a radio head which allows for the remote transmission of meter readings.
- In January 2013 the customer noticed that the water measured by the sub-meters on the property was lower than the water measured by the bulk meter. He therefore suspected that there was a leak in the pipework and engaged (Removed) to investigate. It did not find a leak, and when (Removed) informed the customer that the bulk meter was faulty and due to be replaced, the customer assumed that the bulk meter was the cause of the problem.
- (Removed) replaced the radio head in November 2016 as it had not been working correctly. However, the customer considers that it continued to transmit incorrect readings even after this date. In 2016 and 2017 the customer noticed that the readings from the bulk meter were in fact

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lower than the total of the readings from the sub-meters. Although he informed the company about this, they told him that the meter readings could not be wrong.

- In March 2018, the company sent the customer a bill for the sum of £8,399.25, which the customer considers was an unusually large amount.
- The customer submits that this large reading was the result of a leak at the property which has existed since approximately January 2013. He considers that if the radio head had been working correctly since 2013, he would have been billed correctly since 2013 and would have realised that there was a leak and repaired it much sooner, well before 2018.
- The customer disputes the company's claim that he telephoned them on 2 June 2016 and told them he had a leak. He states that he told them at that stage that the estimated and actual readings on his bills were too low, as they did not tally with the readings that he had taken from the sub-meters at the property. The customer did become aware of the leak in June 2018 and accepts that he did not fix it within the 28 day period set out in (Removed) policy as a requirement for the grant of a leak allowance. However, he states that it was simply not possible to investigate and repair the leak within 28 days.
- The customer also notes that many of the tenants in the industrial estate are on short-term leases and have since moved on. As such, he is unable to recover from them the money that the company has now invoiced him.
- The customer submits that based on his readings of the sub-meters, the March 2018 bill should have been £1,254.43 instead of £8,399.25. He notes that the company subsequently reduced the amount to £6,358.18 as a goodwill gesture; however, he considers that he should be credited for the remainder of the amount. The customer therefore asks that the company credit his account with the amount of £5,103.75. He also asks for £6,745 to compensate him for the time he has spent dealing with this matter, and for stress and inconvenience including worry, sleepless nights and disruption to family life. Finally, he asks that the company replace the radio head which he considers is still not working properly, or alternatively remove it to allow manual readings to be taken.

The company's response is that:

- The company contests the customer's claim. It submits that the customer's claim is effectively for a leak allowance and he does not meet the criteria for such an allowance.
- The company notes that it took over the customer's account from (Removed) following the opening of the water market in April 2017.

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- The company accepts that (Removed) replaced the bulk meter at the customer's property on 30 November 2011. It submits that the customer reported a leak on 2 June 2016 and 12 August 2016 and (Removed) then replaced the radio head on the meter. The company considers that the meter itself was working properly at this time.
- The company states that the customer contacted it on 5 and 9 April 2018 to complain that his bill was too high. The customer then contacted it again on 19 April 2018 to state that he had found a leak. The customer fixed two leaks and then submitted a leaks and burst claims form to the company on 13 August 2018. The company sent the form to the wholesaler, (Removed), but on 20 August 2018 (Removed) informed it that it would not grant a leak allowance because the customer did not meet the criteria set out in its policy, given that he had not repaired the leak within 28 days.
- The company informed the customer of this by email on 4 December 2018. It nevertheless applied a credit of £1,820.40 to the customer's account in recognition of the fact that it had not provided the customer with invoices based on accurate readings. The company later applied a further credit of £100.00 for service failings.
- The company asked (Removed) to reconsider its decision but it refused to do so. The company submits that it is for (Removed) to decide whether to apply a leak allowance. The company has made its best efforts to obtain an allowance from (Removed) but as this has been refused, after a full investigation and in accordance with (Removed) policy, the company considers that it is not able to do anything further.

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.

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I have carefully considered all of the evidence provided. Please note that 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 customer's complaint is that he has suffered detriment as a result of an unfortunate combination of a leak and a faulty radio head on his bulk water meter.
2. It is not in dispute that there was a leak, which was eventually repaired by the customer in 2018. It appears likely that the leak started in around 2013.
3. It is also not in dispute that there was a problem with the radio head attached to the bulk meter at the customer's property. This is evident from a letter from (Removed) to the customer dated 16 January 2015 in which it notifies the customer that the radio head reading does not correspond to the reading on the meter itself, and states that it will repair the radio head. The radio head was replaced on 17 November 2016.
4. The question I have to answer is therefore which party (the customer or the company) should bear responsibility for the water lost as a result of the leak.
5. I note that the customer accepts that he noticed a discrepancy in his meter readings in 2013, with the the water measured by the sub-meters being lower than the water measured by the bulk meter. He suspected that this was due to a leak, and instructed (Removed) to investigate, but they did not find anything.
6. It is also apparent from the papers that the customer received correspondence from STW informing him that there was a problem with his water meter. In a letter dated 23 March 2015, (Removed) stated that (Removed) had *"told us that the water meter supplying your property needs repairing or replacing"*. It turns out that, in fact, there was no problem with the water meter itself and only a problem with the radio head attached to the meter. However, I find that it was

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reasonable for the customer, on the basis of this letter, to conclude that the discrepancies he had seen in his water metering were due to a problem with the meter.

7. Subsequently, the customer received a number of bills in which the meter reading was lower than he expected on the basis of the readings he had taken from the sub-meters at the property. He reported this to (Removed), as is evident from his email of 5 April 2018 in which he explains that he *"advised we were using more water than we were being billed for", "in Spring 2016 and again on the 6th March 2017 when I was informed the readings were actual and therefore had to be correct"*. The customer acted reasonably in reporting the issue to (Removed), and was reassured that there was no problem.
8. I consider that there was accordingly nothing to put the customer on notice of the fact that there was a continuing leak at the property - on the contrary, it was reasonable for him to conclude that there was a problem with the meter. I consider that the customer was reasonable to continue to believe, at this stage, that he did not need to take further steps to investigate a potential leak.
9. Based on my review of the available information, it appears that the meter readings were not an accurate reflection of the customer's actual water consumption, because of the fault with the radio head. This only came to light in March 2018, when the customer received a bill that was significantly higher than usual.
10. At this point, the customer took steps to investigate and repair the leak. The repairs did not take place within the period of 28 days required by (Removed) leakage allowance policy. I therefore accept that, as submitted by the company, the customer is not entitled to a leakage allowance in accordance with this policy.
11. However, this is not the basis of the customer's claim. Rather, the customer submits that he is entitled to compensation because the fault with the radio head meant that it was not possible for him to discover the leak before March 2018. He submits that if (Removed) and the company had billed him on the basis of accurate meter readings, he would have discovered and repaired the leak and would therefore not have been charged for the water that had leaked.
12. As explained above, I consider that the customer was reasonable to conclude that the discrepancies in metering that he noticed in 2016 were due to a fault on his meter and not a

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leak. Although, as the company points out, he raised the possibility of a leak during calls with (Removed) in June and August 2016, this was in the context of a situation in which the meter readings were in fact lower than expected, and not higher than expected as they would have been if there had been a leak. Although the customer raised this with (Removed), he was told that the readings were actual readings and so must be accurate. I also accept the customer's submission that the meter itself is not easily accessible, so it would not have been reasonable to expect the customer to take a meter reading himself. I therefore accept the customer's submission that responsibility for the water lost over this period must fall on (Removed), because (Removed) was responsible for the faulty radio head. Given that the company took over the customer's account from (Removed), this responsibility now falls on the company (in its capacity as successor in title of (Removed)).

13. (Removed) replaced the radio head in November 2016. Nevertheless, I consider that the customer was not in a position to discover that there was a leak after this time, because the company did not send him bills on the basis of actual readings until March 2018. The company has accepted that, after it took over the customer's account from (Removed), there were three actual meter readings taken; however, it did not use these to bill the customer. It appears from the papers that estimated readings were used on 19 January 2017, 1 May 2017, 3 October 2017 and 1 January 2018. The company has accepted in correspondence that the reading for 19 January 2017 was, due to a systems error, incorrectly marked on the customer's bill as being an actual reading.
14. As a result of this, the first time the customer was billed on the basis of an actual reading following the replacement of the radio head was on 5 March 2018, giving rise to the unusually large bill that is the subject of the customer's complaint. I consider that the company should have realised that it was not appropriate to bill the customer on the basis of estimates that were calculated using the previous (erroneous) readings. Its failure to bill on the basis of actual readings was a service failure on its part.
15. It appears from the papers that the customer promptly launched an investigation to detect and repair the leak once he received the large bill in March 2018. I therefore accept the customer's submission that, if the radio head had not been faulty and he had been provided with correct bills at an earlier time, he would have investigated and repaired the leak. I therefore conclude that the company should credit the customer's account in respect of the water that was lost

because of the faulty radio head, and because of the company's subsequent failure to bill on the basis of actual meter readings.

16. The customer has calculated the amount that he would have been billed in the absence of a leak by taking readings of each of the sub-meters on his property. I understand that his calculation takes the original amount billed in March 2018 (£8,399.25) and subtracts the company's goodwill payments (£1,920.40) and the amount he should have been billed on the basis of the sub-meter readings (£1,254.43), and therefore demonstrates that he is entitled to a credit of (approximately) £5,103.75. I consider that this method is reasonable and in any event, the calculation has not been contested by the company. I note that the customer, in his comments on the company's response to his claim, has asked to amend the amount claimed to £6,842.08. However, I do not consider that this amended figure is sufficiently justified or supported by evidence, and it is not in line with the customer's calculation method set out above. I therefore do not allow the amendment, and conclude that the company should credit the customer's account with the sum of £5,103.75.
17. The customer has also asked for compensation for inconvenience and distress, as well as for the time he has spent making his claim to the company and to WATRS. The WATRS scheme does not allow me to make an award for the customer's costs of making his claim. I may make an award in respect of distress and inconvenience, although the amounts that are awarded on this ground are usually modest. In this case, I accept that the customer was shocked and worried to receive the large bill, and has been put to inconvenience by the company's failure to deal with the complaint promptly. However, he is not resident at the property and has not been physically inconvenienced by the leak or otherwise. I therefore consider that an award of £100 for distress and inconvenience is warranted.
18. Finally, the customer asks for the company to replace the radio head a second time or alternatively to remove it, as he considers that it is still not working. The company has a general duty to replace the meter and its components if they are faulty. However, I do not make an order for the company to do so in this case as I have not seen sufficient evidence that the radio head is still faulty. In particular, as explained above, the discrepancies in the customer's bills in the period after the replacement of the radio head (from November 2016 to March 2018) were not the result of a fault in the new radio head - they were simply the result of the company using estimated readings, which it calculated on the basis of the previous (incorrect) readings that it

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had taken prior to November 2017. I therefore do not make the order requested by the customer.

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Outcome

If the customer accepts this decision, the company must, within 20 working days of receipt of the acceptance, credit the customer's account with the sum of £5,203.75.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 02 August 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.
- 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.



Natasha Peter (Barrister, FCI Arb)

Adjudicator

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