

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/1839

Date of Decision: 10 July 2020

#### Complaint

The customer submits that in August 2018, he received a bill from the company that was lower than expected. On querying this, he was advised that he had a 'zero' balance. Following this, he then received a 'catch-up' bill. He asserts that by law, the company cannot backdate charges i.e. revisit a period of time and bill once it is closed. The customer requests that the outstanding bill and any remaining balance be waived. The customer also requests compensation in the sum of £300.00 for inconvenience.

#### Response

The company submits that there were issues reading the customer's meter dating back to 2016. The customer's meter had to be exchanged twice before it could start billing him again. On 8 September 2017 it sent the customer an invoice for standing charges from 12 August 2015 to 8 September 2017 and for an estimated usage on his new meter of 2 cm<sup>3</sup> from 30 August 2017 to 8 September 2017. After the estimated bill of 8 September 2017, it estimated a further two bills on 7 February 2018 and 7 August 2018. However, it did not bill the customer for any usage charges. On 6 February 2019 it read the meter and sent the customer a bill for £869.93 for 353cm<sup>3</sup> used. In acknowledgement of the inconvenience caused by the two low estimated bills, it credited the customer's account with a gesture of £322.39. However, it has explained to the customer that it has the right to produce estimated bills and when the meter is read, to provide an accurate bill based on the meter readings.

#### Findings

The company's Charges Scheme 2020-2021 and Code of Practice, and Ofwat's customer leaflet 'Water meters - your questions answered' support the company's submission that it has a legal right to provide estimated bills for a maximum of two years and then recover any balances due when meter readings are taken. Companies are therefore entitled to produce "catch-up bills" based on actual consumption. The company acknowledges the inconvenience caused by the two low estimated bills. I am inclined to find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard. However, customers must also take some responsibility for their accounts. It is clear from the bills submitted that no water consumption had been charged for at all. I am therefore inclined to accept the company's submissions that as the customer had been using water throughout that year, the customer was put on notice

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that there may have been an issue with the bills. The company has provided the customer with a credit of £322.39 to compensate for the inconvenience caused by the two low estimated bills. Having carefully considered the matter, I find that this is a fair and reasonable level of compensation in the circumstances. There is no evidence to show that the company has acted contrary to any law or code or charged the customer incorrectly and is required to waive any outstanding bills or remaining balances.

**Outcome**

The company does not need to take any further action.

The customer must reply by **xx July** 2020 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/1839

Date of Decision: 10 July 2020

## Party Details

**Customer:** Customer

**Company:** XWater

## Case Outline

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

- In August 2018, he received a bill from XWater that was lower than expected.
- On querying this with XWater, he was advised that he had a 'zero' balance. Following this, he then received a 'catch-up' bill.
- He asserts that by law, XWater cannot backdate charges i.e. revisit a period of time and bill once it is closed.
- The customer requests that outstanding bill and any remaining balance be waived. The customer also requests compensation in the sum of £300.00 for inconvenience.

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

- Customer moved into the property on 9 August 1999. There was already meter serial number (removed) connected to the supply. From the date we started billing them, to a bill dated 18 February 2011, we sent metered bills every six months mostly billed on meter readings. However, in that time, four bills were estimated, including the one of 18 February 2011.
- From the bill dated 18 February 2011 and to 12 August 2015 the meter was read every six months and no estimated bills were sent.
- On 10 February 2016 and 17 August 2016, we attempted to take the scheduled six monthly meter readings, but the meter reader was unable to obtain these due to the meter pit in the footway, having been concreted over.

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- Unfortunately, we were also unable to read the meter on the next scheduled date of 7 February 2017. We raised work to excavate and to unearth the meter and take a meter reading if possible.
- As such, we estimated these three bills based on previous water consumption and meter readings which we had a very good history of.
- On 17 February 2017, we removed the concrete from over the meter pit and found our meter had been removed by a third party, so we fitted a new meter to the supply, serial number (removed).
- In line with our policies at the time, we removed our meter serial number (removed) from Customer's account on 17 February 2017 and the last known meter reading from 12 August 2015 when it was reading 3489 cubic metres (cm<sup>3</sup>). This meant Customer were billed for no water use from 12 August 2015 to 17 February 2017 when the new meter was fitted. So the three estimated bills were cancelled and Customer received a refund of all overpayments made during that time totalling £324.77.
- The next scheduled six monthly meter reading was now due in August 2017, but when we arrived to take a meter reading to bill Customer on, the new meter had been removed again.
- Further work was raised to once again replace our water meter. In the meantime, we sent Customer an estimated bill on 24 August 2017 for £107.81 for the period 20 February to 6 August 2017. We'd estimated that in that period, they would have used 32 cm<sup>3</sup>.
- On 30 August 2017 we fitted another new meter on to the supply serial number (removed), but as meter (removed) had been removed, we had no readings for this meter.
- We once again completed a meter exchange on Customer's account and removed the missing meter (removed) and replaced it with serial number (removed), all with zero readings and no consumption being charged for.
- As we had no meter readings from the missing meter, we cancelled the estimated bill for £107.81.
- That meant the last time Customer had paid for any water or wastewater services we'd supplied to their property, and that they'd used, was on 12 August 2015. Therefore, they had not been charged for any water or wastewater services we'd supplied, and they'd used from that date to 30 August 2017 and had therefore received these services free of charge apart from being charged for standing charges.
- On 8 September 2017 we sent Customer an invoice from 12 August 2015 to 8 September 2017 for standing charges and for an estimated usage on his new meter of 2 cm<sup>3</sup> from 30 August to 8 September 2017. The Agent who was dealing with Customer's account and who updated it with

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the new meter details, input an estimated reading of 2 cm<sup>3</sup> so a bill could be produced and sent. The bill was for £51.03.

- After the estimated bill of 8 September 2017, we estimated a further two bills on 7 February 2018 and 7 August 2018.
- The two bills produced by these estimates were £37.01 for the period 8 September 2017 to 7 February 2018 and £44.71 for 7 February to 7 August 2018.
- Having checked all contacts received from Customer, they did not query these estimated bills and neither did they provide meter readings to enable us to bill them on actual readings from the meter.
- As Customer had been using water throughout that year, we would have expected them to have called us to query why we hadn't billed them for any use and to ask us to investigate this further and to call at their property to take meter readings to bill them on.
- Whilst Customer paid these two bills they would have expected to receive a high bill at some point in the future, bearing in mind that they would have known they had been using water during that period and these two bills showed we hadn't billed them for any consumption.
- On 6 February 2019 we read the meter and we sent Customer a bill for 353cm<sup>3</sup> used. We cancelled the previous estimated bills to produce this bill of £869.93, and because Customer had paid those estimated bills, his balance outstanding was £788.21 as shown in his bill dated 1 March 2019.
- We have explained to Customer that we have the right to produce estimated bills and when the meter is read, to provide an accurate bill based on the meter readings.
- Customer was offered £50.00 as a goodwill gesture by us to say sorry and acknowledge the inconvenience of the very low estimated bills. That is, despite it being his responsibility to call us and alert us to the fact we hadn't billed him for any consumption. Customer did not accept this gesture from us.
- When our Senior Case Manager (SCC) reviewed our position, to err on the side of Customer and to further acknowledge the inconvenience caused by the two low estimated bills, we recalculated his bill for the period 30 August 2017 to 6 February 2019. Instead of charging Customer for their correct usage for that period on an average daily usage (ADU) of 0.68cm<sup>3</sup>, we, in goodwill, reduced their ADU to 0.30cm<sup>3</sup>, and credited their account with a gesture of £322.39.
- All utility companies use estimated meter readings when billing their customers. In turn, all customers are aware that if they do not take a meter reading themselves and provide this to their utility company, they expect that when they do receive a bill based on a meter reading it

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can therefore be lower, or higher than they'd normally expect. In any event, bills must be paid on all bills raised.

- Taking into account our obligations set by the Water Industry Act 1991, our Charges Scheme and our Codes of Practice, we have complied in every aspect and we believe we have a legal right to provide estimated bills for a maximum of two years and then recover any balances due to us from meter readings taken.
- Customers know that in line with every estimated bill from every utility company whether it is water, electricity or gas, that there will be a catch-up bill based on a meter reading at some point in the future. Customer states that he received a bill for “zero” and he is relying on that to make his case. However, there never was a bill for “zero” and no evidence to support his assertion that he was ever advised his account was “zero” and he would never have to pay a bill based on a catch-up meter reading after the estimated bills were sent and paid.
- The charges continue to be correct and payable and we've provided Customer with a significant goodwill gesture in acknowledgement of any perceived customer service failures. We therefore also dispute that Customer are entitled to any compensation for £300.00 for distress or inconvenience.

### 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.

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### How was this decision reached?

1. I must remind the parties that adjudication is an evidence-based process.
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.
3. It is almost inevitable in such adjudications that conflicts of evidence arise, and the mere fact that the adjudicator finds in favour of one party on a particular issue does not mean that the other is telling an untruth. The adjudicator's role is to balance the evidence that is presented.

### ***Liability for charges***

4. I accept the company's submissions that Section 142 of Water Industry Act 1991 sets out its powers. In addition, under Section 143 of the Water Industry 1991 Act, the company is entitled to make a Charges Scheme that fixes the terms and charges for any services provided by the company in the course of carrying out its functions.
5. A company's Charges Scheme must be approved by OFWAT. There is no evidence to show that the company's Charges Schemes have not been approved by OFWAT or do not comply with OFWAT's Charging Rules.
6. The company's Charges Scheme 2020-2021 and its Code of Practice have been submitted in evidence. The company has also submitted an excerpt of Ofwat's customer leaflet 'Water meters - your questions answered' in evidence. These documents support the company's submission that it has a legal right to provide estimated bills for a maximum of two years and then recover any balances due when meter readings are taken.
7. (Please note that whilst the company has not submitted evidence for the full period I accept that it is more likely than not that the policy has been consistent since the customer began to be billed for the company's services.)
8. Companies are therefore entitled to produce "catch-up bills" based on actual consumption.

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9. No evidence has been submitted to this adjudication to show that the customer received a bill for a “zero” amount.
10. However, the company accepts that it only billed the customer for standing charges on its 27 February 2018 and 28 August 2018 bills and did not bill the customer any usage charges. The company acknowledges the inconvenience caused by these two low estimated bills. I am inclined to find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.
11. However, customers must also take some responsibility for their accounts. It is clear from the bills submitted that no water consumption had been charged for at all. I am therefore inclined to accept the company’s submissions that as the customer had been using water throughout that year; the customer was put on notice that there may have been an issue with the bills.
12. There is also no evidence to show the customer called the company on 28 August 2018 and was advised that he had a zero balance. There is no evidence to show that there was any verbal communication between the parties between 9 April 2018 and 6 March 2019. The evidence submitted to this adjudication shows that the customer made a payment on 7 September 2018, but this was done online without any verbal contact with the company. The 7 September 2018 account note does state “*Credit/Debit Card payment of 44.71 received. Advised 0.00 is outstanding*”. However, I am inclined to accept the company’s submission that as the customer had paid the bill produced at the time in full, it was correct that there was nothing further outstanding at the time. In addition, as above, companies are entitled to produce “catch-up bills” based on actual consumption and, it is clear from the bills that no water consumption had been charged for at all.
13. The company has provided the customer with a credit of £322.39 to compensate for the inconvenience caused by the two low estimated bills. Having carefully considered the matter, I find that this is fair and reasonable in the circumstances.
14. I acknowledge that the customer will be disappointed that I am not in a position to direct the redress requested. However, in view of all of the above, there is no evidence to show that the company has acted contrary to any law or code or charged the customer incorrectly. The customer has not shown that the company is required to waive any outstanding bills or

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remaining balances. The compensation already provided by the company is fair and reasonable in the circumstances.

15. The customer's claim is therefore unable to succeed.

#### **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 **20 working days** 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.

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

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