

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/1921

Date of Decision: 23 July 2020

Complaint

The customer's supply experienced a leak that was the responsibility of the water wholesaler. A leakage allowance has been provided but the customer disputes that this has been properly calculated. The company has provided poor customer service.

Response

The wholesaler has calculated a leakage allowance of 100% of the extra use between 7 November 2017 and 10 November 2018. The wholesaler has confirmed that the £44 allowance period was correct. The customer has an outstanding balance on the account. The company submits that it has fulfilled its obligations as retailer.

Findings

The customer's meter readings show that the customer used less water than is allowed for by the leakage allowance during the first half of 2018. As a result, the leakage allowance allocates usage to this period that demonstratively did not occur. The company had not properly represented the customer's interests to the wholesaler and it does not appear that it provided the customer's meter readings evidence to the wholesaler. The company's failures in respect of how it disputed the calculation of the leakage allowance will have caused the customer distress and inconvenience.

Outcome

The company needs to take the following further action:

Send the customer's meter readings to the wholesaler for a further review of the leakage allowance calculation, as detailed within this decision.

Pay the customer the sum of £350.00 in compensation.

The customer must reply by 20th August 2020 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/1921

Date of Decision: 23 July 2020

Party Details

Customer: (Removed)

Company: (Removed)

Case Outline

The customer's complaint is that:

- The customer's supply experienced a leak that was the responsibility of the water wholesaler, (Removed). A leakage allowance was provided, however the customer disputes the amount calculated. The customer submits that there is a shortfall of £435.00 in the amount of the allowance. The level of customer service received from the company has also been poor.
- The customer requests that the disputed amount of £435.72 is written off and he receive a goodwill gesture for customer service failings.

The company's response is that:

- The company states that the leakage allowance has been calculated by (Removed) of 100% of the extra use for the period 7 November 2017 to 10 November 2018. (Removed) has calculated that 188 units of water were lost during the leak. The company applied credits of £282.54 for water and £190.36 for wastewater for the water loss. The outstanding balance on the account was £506.97 on 22 February 2019, consisting of unpaid charges as no payment had been received since 25 July 2018. The customer disputed the allowance and the company raised this with (Removed) to check if they could go back any further. (Removed) confirmed that the allowance period was correct and that the reading on 8 November 2016 was not affected by the leak. The customer made a further complaint and the company challenged (Removed) again, however (Removed) confirmed that no changes to the allowance would be made. The company is not able to remove the remaining balance of £435.72 as this is correct and payable. The balance is made up of unpaid charges from 15 July 2018 to 5 November 2018. The leakage allowance does include this period. The company submits that it has fulfilled its obligations as retailer by raising the issue to (Removed) on the customer's behalf.

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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. The customer has disputed the amount of a leakage allowance granted to him following a leak on his supply that occurred between the customer's meter and the boundary of his property. The leak was the responsibility of (Removed) to repair, and the customer was therefore entitled to an allowance for the water loss.
2. It is helpful at this point to set out the limits of the scope of the Water Redress Scheme in respect of the company. The company is a water retailer, billing the customer for the water services provided by the water wholesaler, (Removed). In order to make a decision in this dispute, 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 and accounts 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, the adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, a party to the case, has responsibility, but not those things for which the wholesaler has responsibility.

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3. The retailer is under a duty to bill the company in accordance with the wholesaler's policies and schedule of charges. This includes applying leakage allowances where these are granted by the wholesaler to the customer. I find that it is a matter for the wholesaler to determine whether the customer is entitled to an allowance and to calculate this. The company is only able to request the wholesaler reconsider its calculations; it is not able to override the wholesaler's decision in relation to the grant or calculation of a leak allowance.
4. The company has provided evidence from (Removed) about how the leakage allowance has been calculated. In order to ensure that all meter readings that were potentially affected by the leak have been covered, (Removed) has applied the leakage allowance to usage recorded from 7 November 2017 onwards.
5. It has calculated the leak allowance by reference to the average daily use recorded after the leak was fixed. The meter read 822 when the leak was fixed and was read on 16 January 2019 at 861. The average daily use (ADU) was therefore 0.58 cubic metres.
6. (Removed) has compared the ADU to the recorded levels for each estimated meter reading between 7 November 2017 and 10 November 2018, determining that a total of 188 cubic metres of water was recorded over and above the customer's usage.
7. I am mindful that the customer takes monthly meter readings for utilities, including the water. This level of granularity shows that, for the first seven months of 2018, the customer's usage was below the average daily use rate of 0.58 cubic metres. As such, by applying the rate of 0.58 to dates between 7 November 2017 and 1 July 2018, the leakage allowance improperly assigns water use to these months that demonstratively did not occur.
8. I am satisfied that there is a basis to challenge (Removed) calculation of the leak allowance as the customer's records provide additional granularity that was not available to them from the estimated meter readings provided by the company in shared systems.
9. For the avoidance of doubt, (Removed) is not obliged to complete any recalculation of the leakage allowance. It is frequently not possible to assess precisely how much water was lost to a leak, and STW clearly intended to err in the customer's favour by looking to apply the post-leak ADU to a longer period of time. Had the leak been present for many months, only to become significantly worse in November 2018, the customer would have benefitted from a

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reduction in bills over a longer period. However, as the customer can demonstrate that his usage was lower until July 2018, (Removed) may be willing to amend the leakage allowance calculation to cover only those dates where the customer's usage was, in fact, above the new ADU rate.

10. I therefore direct the company to revert to (Removed) with the meter readings taken by the customer, and request a further review the leakage allowance on the basis that the customer can demonstrate that he used less than the post-leak ADU for the majority of the period covered by the current leakage allowance.
11. The customer should be aware that the final decision relating to the calculation of the leakage allowance rests with (Removed) and there is no guarantee that the allowance will be recalculated. In the event the allowance is not amended, the customer will be liable for the outstanding balance on the account.
12. The customer has also complained of poor customer service, requesting a goodwill gesture and/or waiver of the account balance.
13. In reviewing the correspondence, I note that the customer initially queried the calculation of the leakage allowance as only covering 5 to 11 November 2018, whilst the higher than expected bills predated this. As above, the calculation of the leakage allowance was made over a period in excess of 12 months with (Removed) attempting to ensure that all leaking water use was removed. However, the customer's use was lower than the ADU used during the start of 2018. The company queried the calculation of the allowance with (Removed) on the basis that it should have been provided in respect of an earlier date. (Removed) responded by confirming that the current ADU was higher than previous use, i.e. between 2016 and 2017, but that the adjustment could not be backdated.
14. I find no failure in the level of service provided by the company in respect of this request. The company acted on the argument put forward by the customer and it does not appear that the customer provided the full breakdown of meter readings at that time.
15. The customer continued to dispute the higher than expected bills on the basis that they had to be reflecting the water leak due to the bill being significantly higher than the customer's previous bills based on usage. The company did properly explain how the bills had been adjusted

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consistently with the leakage allowance granted by (Removed), and referred to the estimated readings being under-estimated. However, I note that, until July 2018, the estimated meter readings were largely consistent with the customer's actual readings.

16. The customer provided the company with the list of meter readings on or around 1 May 2019, advising that the leak can be seen to have started around October 2018. The company responded by advising that the allowance covered the period from 7 January 2017 to 10 November 2018. The start date for the allowance was quoted incorrectly and the company also did not identify that, due to the usage being recorded at levels lower than the ADU used for the leak allowance, too much use had been assigned to the first half of the period of the allowance.
17. On 18 July 2019, the company advised that it received a response from (Removed) on 25 February 2019; however, the wholesaler supplying water to the customer is (Removed). The company referred to (Removed) throughout this correspondence. The company also confirmed that it could not challenge the calculation of the leakage allowance again, however it is clear that it did not understand the customer's argument, namely that the leakage allowance should be applied to a greatly reduced time period due to the use being lower than the ADU for the first half of the period.
18. On 11 December 2019, the company requested proof that the leak started in July 2018, but that this needed to be more than a meter reading as this only confirmed high consumption. This argument does not make sense in the customer's situation as the meter readings confirmed lower consumption than the ADU of 0.58. The meter readings therefore confirmed that the leak had not started during part of the period in which (Removed) has applied the leakage allowance. Due to the ADU being higher than the customer's actual usage in early 2018, the allowance served to allocate lost water to dates on which the customer could demonstrate the water had not been lost or used.
19. The company advised on 14 January 2020 that (Removed) had confirmed that it would reconsider the leakage allowance only if further evidence was provided. It does not appear that the company provided the customer's meter readings to (Removed) or represented the customer's position, namely that the recorded usage prior to July 2018 was lower than the post-leak ADU and therefore necessarily pre-dated the start of the leak. As such, the allowance should have been calculated from July 2018 onwards, otherwise water lost to the leak was being averaged onto dates where the customer had demonstratively used less water.

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20. The customer re-sent the meter readings to the company on 15 January 2020. The company responded on 29 January 2020 advising that (Removed) had provided a burst allowance based on meter readings the company had provided. It therefore appears that the company had not sent the customer's meter readings to (Removed) at any point.
21. I am satisfied that the company has fallen below the standard expected of it in how it handled the customer's complaint. The company failed to represent the customer's position to (Removed) and did not provide his meter readings to the wholesaler. The company also did not explain to (Removed) that the meter readings showed that the leak had not occurred until after July 2018, and that the allowance covered too great a time period, this being to the customer's detriment as the post-leak ADU was higher than that experienced in December 2017 to July 2018.
22. I am satisfied that the customer has been caused stress and inconvenience as a result of these failures and I am mindful that the company's failure to properly re-raise the allowance query with (Removed) has greatly extended the duration of the complaint. This is not a situation where the company properly represented the customer's interests to the wholesaler only for the request for recalculation to be denied; the company has failed, repeatedly, to put forward the customer's argument and evidence to the wholesaler.
23. I therefore find it reasonable for compensation to be payable for the stress and inconvenience caused. In referring to the WATRS Guide to Compensation for Inconvenience and Distress, I find the sum of £350.00 to be reasonable and proportionate. The company could have avoided any customer service failings by taking the time to understand the customer's submissions and to properly represent these to the wholesaler. By failing to do so, the customer continued to receive higher than expected bills and was unable to properly dispute these. I therefore direct the company to pay the sum of £350.00 to the customer.

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Outcome

The company needs to take the following further action:

Pay the customer the sum of £350.00 in compensation;

Send the customer's meter readings to (Removed), requesting a further review of the leak allowance, on the basis that they show that the leak was not present in the first half of 2018 and that the customer's actual use during those periods was lower than the adjusted use under the allowance, this being to the customer's material detriment.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 20 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.



Alison Dablin (LLM, MSc, MCI Arb)

Adjudicator

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