

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1538

Date of Decision: 13 January 2020

#### Complaint

The customer is the landlord of a small commercial unit and the water account for the business is in his name. The water bills for the unit are normally less than £200.00 per year but he received a bill, dated 15 October 2018, for £3,828.87. The company informed the customer that his water supply is shared and connected to a derelict neighbouring property that the customer does not own. The customer believes that the high bill is a result of a leak on the neighbouring property and contends that he is not liable to pay the bill as he was unaware of the leak when it occurred and did not know he was on a shared supply. As the high bill is not commensurate with his tenant's historical usage, the customer wants the company to recalculate the bill in-line with his tenant's current water consumption. However, the company has not done enough to help the customer obtain a leakage allowance from the wholesaler.

#### Defence

The company submitted a Burst Allowance Application to the wholesaler on behalf of the customer, but the application was rejected because it did not meet the criteria for an allowance. As the customer's retailer, it has fulfilled its obligations by challenging the wholesaler on several occasions but the wholesaler will not authorise an allowance. The company has exhausted the grounds on which it can challenge the wholesaler and, therefore, the company cannot reduce the charges on the customer's account.

The company has not made an offer of settlement.

#### Findings

I find that the company is the customer's retail provider and is responsible for billing, accounting and customer services. RST Water ("the Wholesaler") is the customer's wholesaler and, as such, is responsible for the maintenance and repair of the water and sewerage assets and, in the event of leaks, the calculation and authorisation of leakage allowances. As an adjudicator operating under the Water Redress Scheme, I can only make findings related to those things for which the company, as a party to the case, has responsibility, and not those things for which the Wholesaler has responsibility. In order to reduce the disputed bill, the company would need to apply a

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leakage allowance to the customer's account. However, as the Wholesaler has not authorised an allowance, I cannot direct the company to reduce the disputed bill. I accept that the company has effectively operated as an intermediary between the Wholesaler and the customer during this dispute and that the company has exhausted the grounds on which to refer the complaint back to the Wholesaler. Consequently, I do not find that the company has failed to provide its service to the standard reasonably expected by the average customer and, therefore, the customer's claim cannot succeed

**Outcome**

The company does not need to take any further action.

The customer must reply by 10 February 2020 to accept or reject this decision.

# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1538

Date of Decision: 13 January 2020

## Party Details

Customer: [ ].

Company: [ ].

## Case Outline

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

- He is the landlord of the business premises known as 9a Green Road, [ ] and the water account for the business is in his name.
- He has had the same tenant for eleven years and the water bills for the unit are normally less than £200.00 per year. However, he received a bill, dated 15 October 2018, for £3,828.87. He assumed the high bill was a mistake and asked the company to investigate.
- The company informed him that his supply was shared with the derelict and partly demolished neighbouring property, which he did not own.
- Although he had no idea why the bill was so high when he received it, he now believes the high charges are a result of a leak on the neighbouring property, caused by demolition works carried out in 2017 and 2018, because his tenant had noticed a leak at the property during this time. The leak was reported to the company and an engineer attended on 26 April 2018, however, the engineer took no action to stem the leak because the building was empty and the leak was left unrepaired. The tenant also reported the leak to the council on two occasions. When he was made aware of the situation in October 2018, he went to the neighbouring property to inspect the leak but it had already been repaired, presumably by the owners.
- The company informed him that the high bill is not a mistake and is correct and payable. However, he contends that he is not liable to pay the bill because he was not aware that he was on a shared supply, even though the company had installed a water meter at his property. Furthermore, the company did not contact him at any point to inform him of a spike in consumption and, as his meter was not read between 12 April 17 and 8 October 2018, he had no way of knowing he was being charged for such a high volume of water. Furthermore, the company must have known he was on a shared supply with the neighbouring property, so he

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cannot understand why he was not contacted after the engineer failed to get a response at the neighbouring property following the leak report and left the property without fixing the leak.

- The company have asked him to provide information regarding the date the leak occurred and the date it was fixed, but he cannot do so as he does not own the property and is not responsible for it. He believes the leak may have been repaired by the owners at some point after 26 April 2018, but he has no way to evidence this. The Wholesaler rejected his application for an allowance because the leak started in 2016, but this is not the case; his tenant first noticed the leak at the end of 2017 and the start of 2018.
- As the high bill is not commensurate with his tenant's actual water consumption, he wants the Wholesaler to recalculate the bill in-line with current water consumption, but the company has done nothing to help him obtain a leakage allowance.

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

- On 8 October 2018, its meter readers obtained a reading of 3066m<sup>3</sup> from the customer's meter, prior to this, the last actual read taken on 12 April 2017 was 1538m<sup>3</sup>. It attempted to read the customer's meter in October 2017, however, the meter was covered so it was unable to do so.
- Following receipt of the disputed bill, the customer made contact on several occasions between 22 October 2018 and 25 October 2018 and was advised to do a self-leak test.
- On 1 November 2018, the customer advised that the next door property had previously suffered a leak and that it was possible he was on a shared supply. It conducted a supply check at the site and confirmed that the meter supplied two units and an outside tap for an old garage which had been demolished; the customer stated that this tap had been leaking for some time.
- On 11 January 2019, it received a completed Burst Allowance Application from the customer but it did not forward this application to the Wholesaler as the completed application stated that the leak was repaired before it was noticed. On 17 January 2019, it emailed the customer to explain why it had not submitted the application to the Wholesaler and attached a further application form. The customer completed this form and it was sent to the Wholesaler.
- On 5 March 2019, the Wholesaler rejected the application because it had no record of a leak being reported. The Wholesaler also advised that as the customer had not provided an accurate date of when the leak was repaired, or who had completed the repair, an allowance could not be authorised.
- On 21 March 2019, it made a further request to the Wholesaler but, on 18 April 2019, the Wholesaler rejected the application again on the basis that the leak occurred on private pipework and had occurred in 2016 but was not reported until January 2019.

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- As the customer's retailer, it has fulfilled its obligations by challenging the Wholesaler on several occasions but its challenges have not been successful.
- It sympathises with the customer but, as the leak occurred on private fixtures and fittings and was not repaired within 28 days, the Wholesaler would not grant an allowance in any event. The customer needs to come to a private arrangement with the owners of the property where the leak occurred.

### 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. Having read the evidence provided by both parties, I find that the company is the customer's retail provider and is responsible for billing, accounting and customer services. RST Water is the customer's wholesaler and, as such, is responsible for the maintenance and repair of the water and sewerage assets and, in the event of leaks, the calculation and authorisation of leakage allowances. Therefore, the Wholesaler, not the company, was responsible for assessing the leakage allowance application made by the customer.
2. 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

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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 a wholesaler has responsibility. This includes, however, the effectiveness with which the retailer has operated as an intermediary between a wholesaler and a customer.

3. The customer wants the company to reduce the charges applied to his account on 15 October 2018 because the high consumption reflected in the charges was caused by a leak at a neighbouring property with which he shares a water supply; however, the customer was unaware of the leak and unaware that he was on a shared supply until he received the disputed bill.
4. In order to reduce the bill, the company would need to apply a leakage allowance to the customer's account. However, as the company is not responsible for calculating and authorising leakage allowances, and the Wholesaler has refused to grant an allowance as the customer's application failed to meet its leakage allowance criteria, it therefore follows that I cannot direct the company to reduce the customer's bill. I appreciate that this decision is likely to frustrate the customer, but I have no jurisdiction to make findings with regard to the actions or decisions of the Wholesaler as the Wholesaler is not party to this case.
5. However, as stated above, I am able to assess whether the company has effectively operated as an intermediary between the Wholesaler and the customer during this dispute. Having reviewed the evidence presented by the parties, including the time-line submitted in defence and the pre-investigation response dated 30 May 2019 submitted in evidence by CCWater, I accept that the company has effectively operated as an intermediary between the Wholesaler and the customer during this dispute. I also find that, on balance, the company has exhausted the grounds on which to refer the complaint back to the Wholesaler for reconsideration.
6. The customer complains that the company did not read his meter for the eighteen month period between 12 April 17 and 8 October 2018 and, therefore, he was unaware of the leak and the charges were allowed to escalate. The company states that it attempted to read the meter in October 2017 but it was covered. Having considered the evidence, I do not find that the company breached any regulatory or policy requirements and find no failing on the company's behalf in this regard.
7. The customer also states that he was unaware of the shared supply until October 2018, the implication being that, had he been informed of this by the company or the Wholesaler, he

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would have known he would be billed for water consumption at the derelict property and may have looked out for leaks. In the pre-investigation response dated 30 May 2019, the Wholesaler states that the meter and shared supply was in situ when the customer purchased the property and it is his responsibility to understand his supply. Having considered this statement, I accept that the customer is responsible for understanding his supply and do not find that the company's failure to inform the customer amounts to a service failing.

8. In view of the above, I do not find that the company has failed to provide its service to the standard reasonably expected by the average customer. I am aware that this is not the outcome the customer hoped for, but it therefore follows that the customer's claim cannot 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 10 February 2020 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.

*KS Wilks*

Katharine Wilks

**Adjudicator**

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