

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT 1707

Date of Decision: 31 March 2020

Complaint

The customer submits that the company failed to tell her about its 'Assessed Household Charge' tariff when she called in 2001 regarding her charges and was told the cheapest option would be for her would be its Rateable Value charging basis. The company placed her on its Assessed Household Charge after it was unable to fit a water meter. It transpires this is lower than what she was paying on its Rateable Value tariff. The customer therefore requests that the company backdate the Assessed Household Charge tariff to 2001 when she moved into the property.

Defence

The company submits that it has no record of the customer calling it in 2001, of the customer applying for a water meter prior to 23 July 2019 or of it advising her that its Rateable Value tariff was the most suitable option. It is not required to advise customers about its Assessed Household Charge, as this tariff is only available if a customer has applied for a water meter and the property is deemed unmeterable. The customer's tariff was transferred to this tariff effective from the date she first applied for a water meter. The company denies it is liable to backdate the Assessed Household Charge to when the customer moved into the property in 2001. The company did not make a settlement offer.

Findings

There is insufficient evidence to establish that the customer either applied for a water meter prior to 23 July 2019 or of the company advising her that Rateable Value was the most suitable tariff. Whilst the company has confirmed that since 2008 the customer would have been better off on its Assessed Household Charge (single occupier) tariff, as I accept that this tariff is only applicable if a customer has applied for a water meter and the company has found it is unable to fit a meter at the property, I find that the company's failure to advise the customer of, or transfer the customer's tariff to its Assessed Household Charge, does not constitute evidence of it failing to provide its services to a reasonably expected standard. The evidence does show that the company delayed with applying the AHC (single occupier) tariff to the customer's account after deeming her property unmeterable. This is evidence of the company failing to provide its services to a reasonably expected standard, however, as this service shortfall does not justify the remedy sought, the company is not liable to backdate the Assessed Household Charge (single occupancy) to 2001. However, the company shall provide the

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customer with a written apology for the delay in applying its AHC after be unable to fit a meter.

Outcome

The company shall provide a written apology to the customer for the delay with applying the AHC to her account.

The customer must reply by 1st May 2020 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT 1707

Date of Decision: 31 March 2020

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- When she moved into her home in 2001, she contacted the company regarding her charges and was told the cheapest option would be its Rateable Value tariff.
- She contacted the company in 2019 to arrange a survey to fit a meter and was subsequently told that due to the pipe work that serves her home being shared with her neighbour, a meter could not be fitted.
- The company then placed her on its tariff Assessed Household Charge, which transpires is less expensive than what she was paying on its Rateable Value tariff.
- She is very unhappy about not being made aware of the cheaper tariff sooner and requested that the company refund her the difference between the amounts paid on its Rateable Value and the Assessed Household Charge, backdated to 2001 but the company refused to do this.
- She therefore requests a refund of charges; the difference between the amount she has paid on Rateable Value compared to the lower charges based on the Assessed Household Charge tariff (no amount specified).

The company's response is that:

- In summary, the customer is seeking a refund for the difference between and the Rateable Value (RV) charges and the Assessed Household Charge (AHC) for a single occupier as she alleges that in 2001, it advised her that RV was the cheapest tariff.

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- On 17 August 2019, it received an email from the customer detailing her complaint in relation to her charges. It tried to contact the customer about her complaint on 22 August 2019 and 28 August 2019, but was unsuccessful.
- It spoke to the customer on 29 August 2019 and advised that it had no record of receiving any completed metering application, or a call regarding this, in 2001. It confirmed that without an application and a survey being carried out, AHC would not have been an option, as it had not at that stage deemed her property unmeterable. As the customer remained unhappy with its position, it offered a case review, which she accepted.
- After carrying out a full review, it wrote to the customer on 12 September 2019 detailing its position and signposting her to the Consumer Council for Water (CCW) if she remained unhappy.
- It subsequently replied to all points raised by CCW in its emails dated 1 October 2019 and letter dated 17 October 2019.
- In relation to the customer's request for the difference between her RV bills which she has paid and what she could have paid on AHC if she had been made aware of it sooner, until 1 April 2008, the customer's RV was actually cheaper than the AHC. While the customer alleges that she was advised in 2001 that RV was the cheapest tariff available, it has no record of a call in 2001.
- At complaint stage, the customer stated that when she contacted it in 2001, she was advised that it had not received her metering application and she has alleged its agent advised her that she would be better off staying on the RV. As previously stated, it has no record of this call and without a survey being carried out it would not have known whether a meter could be fitted, nor if RV would have been a cheaper option than metering.
- AHC is not a tariff customers can apply for and it is not applicable unless an application has been received by it for a water meter and it is found that it is unable to fit one. Metering is advertised on the reverse of all customer bills. It is also advertised in the leaflets that are sent with its annual bills. AHC, while not advertised on its bills, information is available on its website. It is also detailed in its Charges Schedule, which is available on its website. Its Charges Schedule contains the prices for the upcoming year and is issued annually on 1st February. In the same location on its website under Charges Scheme, AHC is explained. This is also issued annually at the same time as its Charges Schedule.
- The OFWAT website makes the position clear on how the Scheme may be used and states: *"You will not be offered an assessed charge unless you apply for a meter."*
- The purpose of the charge is to make sure that customers are not unreasonably disadvantaged because they cannot have a meter. The charge is not available to customers if it can fit a meter

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at their property. This applies across the industry and to deviate from this would put other customers at a disadvantage.

- The OFWAT charging rules, which all water companies have to follow when setting tariffs, specifies that companies are only required to offer the AHC tariff when a measured charges notice has been given (i.e. the customer has asked for a meter or been included as part of the Progressive Metering programme) but cannot be fulfilled. Each property must be surveyed individually in order for AHC to be applied.
- Even if neighbouring properties have been surveyed and deemed unmeterable, in order to be eligible for AHC, an application for a water meter must be made, as it must look at each property individually.
- Before it received an application for a water meter, an alternative tariff, being the AHC, is not available. The customer did not apply for a water meter until 23 July 2019, but the option to do so has been available since she moved into her property in 2001.
- Prior to the customer's application for a water meter made on 23 July 2019, it had not had any contact from her since 22 June 2011 when she called to advise that she had no water. Other than to send the customer's annual bills which, advertised metering along with the leaflets sent with the bills, it had no reason to contact her. Equally, the customer did not contact it for an explanation of her charges, or to discuss possible alternatives.
- Depending on the RV of the property, AHC is not always beneficial, as in this case it would not have benefitted the customer prior to 2008. It would not be practical for it to look at each RV account on its billing system to see if AHC would benefit the customer and then contact them to advise that if they apply for a meter, but cannot have one, it may be able to offer them an alternative.
- While the customer's charges would have been reduced if she had been charged on AHC since 2008, she has not been overcharged.
- In line with its policies, it has moved the customer to the AHC single occupier tariff from 23 July 2019, being the date it received her application for a water meter and it has fully explained its position to the customer and CCW.

Reply

- In her Reply, the customer disputes aspects of the Defence and has submitted an annotated copy of the Defence to highlight her points. She reiterates that when she moved in her property she was advised there were only two tariffs: Rateable Value and a meter (measured charges) and that Rateable Value was more suitable for her. At no point has she been advised about the

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third tariff: its AHC tariff, including when she called about a water meter on 23 July 2019. It was only when the engineer visited on 14 August 2019 that he gave her a leaflet regarding the AHC tariff.

- She disputes the accuracy of the account note date 22 August 2019 and asserts the agent admitted and recorded in her notes that RV was the best tariff for her in 2001.
- She did send a completed meter questionnaire to the company and as she did not get a response, she called the company in 2001 and was told RV was the most suitable tariff for her. The contents of the account note dated 29 August 2019 proves she did speak to the company in 2001. She asks for the call to be listened to.
- She was not made aware of the AHC so there was no reason to check its website. She believed the only two tariffs available were RV and metered charges and she thought that a water meter may not be an option for her due to shared pipes. She did not know she had to apply for a meter installation in order to be considered for the AHC if a meter was not available. The company could have included this information on its annual bills. Just advertising metering is not enough.
- She has been treated unfairly by the company due to it placing her on RV due to it being unable to fit a meter.

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 remind the parties that adjudication is an evidence-based process and it is for the customer to show that the company has not provided its services to the standard that would reasonably be expected of it. I acknowledge in her Reply that the customer has requested for a phone call to be listened to (29 August 2019), however, I remind the parties that unlike a court or tribunal, under WATRS, I am unable to require that the company provide certain evidence. Moreover, I am mindful that there is no obligation on water companies to record calls or if it has, retain call recordings and I am mindful that more than six months has elapsed since the call in question. I shall therefore proceed based on the evidence submitted to me.
2. The dispute concerns the customer's water charges raised by the company in relation to her property at [] (the Property) for the period from 2001 to 23 July 2019.
3. I acknowledge that during this timeframe the customer's charges were based on the RV of her home, however, following the company's survey carried at the customer's property on 14 August 2019 to establish if a meter could be fitted, the company advised the customer that she was entitled to be placed on its AHC (single occupier) tariff. It is clear that this was because company had deemed the customer's property to be "unmeterable" due to the water supply being shared between the customer's property and the neighbouring flat and also because the customer lived alone. However, I find that the crux of the customer's claim lies in her submission that she was not told about the option of AHC, "the third tariff", by the company until 14 August 2019, despite having enquired with the company in 2001 about "the cheapest option". The customer explains that she completed and returned the metering questionnaire received from the company in 2001 but says, as she did not hear back from the company, she called it and was told RV was the most suitable tariff for her when in fact it has transpired that its AHC (single occupier) tariff is less expensive than RV.
4. The company says it has no record of the customer calling in 2001 or of it advising the customer that the RV was the most suitable tariff for her. It asserts that whilst it sent out a metering questionnaire to the customer, it did not receive a completed application form back from the customer. It submits that whilst, at the time, RV was cheaper than its AHC tariff as it only introduced its AHC single occupier tariff (that the customer is currently on) in 2008,

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without having carried out a metering survey at the customer's property, it could not have known the customer's property could not be fitted with a meter or that metered charges would not have been cheaper, therefore it would not have advised the customer that RV was the most suitable tariff.

5. I acknowledge that the company has submitted evidence of historic account notes for the customer's property (included in the CCW document bundle), which I accept do not include any notes prior to 22 June 2011 (when the customer advised that she had no water) which I consider supports its contention that it has no record of the customer calling it at this time. I acknowledge that in her Reply, the customer asserts that the account note dated 22 August 2019 (included in the Defence) proves that she called the company in 2001. Having reviewed this evidence I find it states: "looking through the customers account the reason why we didn't change her to a diff charge in 2001 is because her RV was cheaper....looking through bills compared to our charges – up until the bill of 2008/2009 her RV was cheaper but every year after that she was worse off...". I do accept this wording can be interpreted as the company accepting the customer's claim that she had called in 2001 regarding her tariff, however, I am mindful that the notes then state: "there is nothing on topic history (looked on CIS archive) no record of customer calling about this until now". Therefore, I do not consider this evidence is sufficiently clear or conclusive and as such I do not find it establishes that the customer called the company in 2001 or that it advised that RV was the most suitable tariff.
6. I acknowledge, however, that the notes also state: "I can see in the attachment that the customer sent in the metering questionnaire". The company has said this reference relates to attachments the customer had provided (during the dispute period) to show that she had received a metering application from it in 2001 but the company contends they do not prove that the customer returned the completed application and it reiterates it has no record of receiving this. I find this evidence (the metering form sent to the customer in August 2001 along with a letter from the company dated 3 August 2001) is included in the CCW bundle and, on balance, I consider this does show that the customer had enquired about a water meter with the company in 2001 (although the method of the customer's communication is unclear). As such, I consider this is contrary to the company's suggestion that the customer had not contacted it. However, I consider there is insufficient evidence to show either that the customer had returned a completed water meter application form to the company or that

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the company specifically told her that RV was the cheapest option for her, particularly as I accept the company's assertion that as it had not carried out a meter survey at the customer's property at this point, it would not have known if metered charges would have been cheaper than RV. Therefore, I consider it unlikely it would have provided such advice and on balance, I do not consider this constitutes evidence of the company failing to provide its services to a reasonably expected standard.

7. In relation to the customer's complaint regarding the company's failure to make her aware of its AHC, I accept that the company offers its AHC tariff as an 'alternative' to measured charges and that it is a fixed rate charge related to the number of bedrooms and the number of people. Further, the company has explained that that under its Charging Scheme, a customer must apply for a meter before they can be considered for the AHC and this reflects OFWAT charging rules that specify that companies are only required to offer the AHC tariff when a measured charges notice has been given (i.e. the customer has asked for a meter or been included as part of the Progressive Metering programme) but it is unable to fit a water meter (as determined by a survey carried out at the individual property). Therefore, I am satisfied that the company's failure to advise the customer about its AHC until it had deemed her property was unmeterable (on 14 August 2019), does not establish evidence of it failing to provide its services to a reasonably expected standard.
8. Having reviewed the industry regulator OFWAT's website, I accept that that RV charges are based on the RV of properties that were assessed and set between 1973 and 1990 by The Inland Revenues District Valuer based on criteria including size, location, proximity to amenities and desirability. Whilst these have not been updated since 1990, as per the OFWAT guidelines, I am satisfied from that water companies are able to continue charging customers on the RV basis until such time a customer applies for a water meter. Therefore, I am satisfied that the customer's RV charges since she moved into the Property in 2001, until when a water meter was requested on 23 July 2019, are correct.
9. The company has also mentioned that as it does not know each customer's individual circumstances, for example how many people are in their household, how much water they use and therefore it does not know which ones would benefit from changing tariff to how much they might save. In its response to the customer dated 12 September 2019, I can see that the company stated that it is up to it customer to apply for a meter. I accept that the

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company advertises its water meters on the back of customers' bills, on leaflets and on its website. Therefore, I am satisfied that the company has demonstrated that it took reasonable steps to inform the customer about the option of a water meter and, as I accept the onus is the customer to ask for a water meter if they believe they would be better off on measured charges due to their individual circumstance, I am satisfied this evidence supports my above finding that the disputed RV charges are correct.

10. I acknowledge from the evidence that the company failed to promptly transfer the customer's account to its AHC tariff after it deemed the customer's property unmeterable on 14 August 2019. Further, I find that it was only after the customer contacted it on 13 November 2019 that the company amended the customer's account and charges to reflect the AHC tariff since 23 July 2019 (in early December 2019) and refunded overcharges of £80.44. Furthermore, I find no evidence of the company apologising to the customer for this error, in its email to the customer dated 4 December 2019 or elsewhere. I am satisfied this delay and lack of an apology from the company constitutes evidence of it failing to provide its services to a reasonably expected standard.
11. Therefore, I find that there is a lack of substantive evidence to show that the company advised the customer that RV was the most suitable option or that it provided incorrect advice regarding available tariffs in 2001. Whilst, based on the evidence, I accept the company's assertion that RV was less expensive for the customer than its AHC in 2001, as the customer's property had not been surveyed for a meter, it would not have known that RV was cheaper than measured charges (if a meter had been fitted). The company has confirmed that after 2008, the customer's RV charges were more expensive than if she had been on its AHC (single occupancy) tariff. However, as the customer only applied for a water meter on 23 July 2019, I find that the company is not liable to backdate the charges, as I am satisfied that the RV charges applied prior to 23 July 2019, were correct.
12. Although the company delayed with applying the AHC to the customer's account and failed to apologise for this error, I do not consider this justifies the remedy sought for a refund of RV charges. However, I consider it reasonable to direct that the company provide a written apology to the customer on this basis.

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Outcome

The company shall provide a written apology to the customer for the delay with applying the AHC to her account.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 1st May 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.



A. Jennings-Mitchell, Ba (Hons), DipLaw, PgDip (Legal Practice), MCI Arb

Adjudicator

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