

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1721

Date of Decision: 7 January 2020

#### Complaint

The customer raised concerns about his metered bills in 2016. In 2019, the company investigated and found a cross supply. The customer feels that the company has not fully disclosed how the refund was calculated, failed to amend his account and billed incorrectly, and failed to provide appropriate compensation.

#### Defence

The company states that it offered a site visit in 2016 but the customer declined as he did not think it would be independent. Following further contact in 2019, the company visited and found that there was a cross-supply issue. This has now been corrected. It accidentally rebilled the same incorrect amount for the most recent bill but this was corrected before the bill was paid. The company overcharged the customer by £1021.34. It has also provided £219.65 in interest, £250.00 ex-gratia, and £27.98 applied by accident. It submits that this is reasonable and proportionate compensation.

#### Findings

The company's spreadsheet of bills and the meter readings enabled me to confirm that the company's calculations were correct. The customer had been overcharged by £1021.34; the refund calculated based on the overcharged volume of water at 2019 rates was £1049.32. Interest was also correctly calculated. There were occasions in which the company fell below the standard expected of a reasonable water supplier, and the duration of incorrect billing had to be taken into consideration. Further compensation was warranted, in addition to the £250.00 provided by the company.

#### Outcome

The company needs to take the following further action:

- Pay the customer the sum of £350.00 in compensation.

The customer must reply by 04 February 2020 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1721

Date of Decision: 7 January 2020

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

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

- The customer first raised concerns about his measured bills in 2016. Following recent contact, the company investigated and found a cross supply. This has resulted in the customer paying his neighbour's water bills for 8 years and vice versa. The customer contacted the Consumer Council for Water as he felt that the company had failed to fully disclose how the refund had been calculated, calculated the refund incorrectly as a review showed an additional credit of £744.76 was required, failed to amend his account and billed incorrectly, and failed to offer appropriate compensation. The company also sent copy bills to the customer, but these were greatly redacted due to GDPR.
- The customer requests copy bills for the customer's meter to demonstrate that the refund calculations are correct, that any incorrect refund is corrected, and £500.00 in compensation for distress and inconvenience.

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

- The customer contacted it in 2016 by telephone. When it offered to visit the customer, he advised that he did not think that the company would be independent. The customer terminated the call after advising he would contact the ombudsman. There was no further contact until earlier in 2019. The customer agreed to a visit and the company identified that there was a cross-supply issue on its billing system. This has now been corrected. The company accidentally rebilled the same incorrect amount for the most recent bill only and this was

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subsequently corrected before it was paid. All future bills are now based on the correct meter. The company provided redacted copies of the neighbour's bills to the customer; it is not able to share payment and property information relating to the customer's neighbour. The basis of the incorrect billing relates to the meter and its recorded consumption and the amounts paid by the customer and his neighbour were not relevant for calculating the customer's correct charges. The company would be willing to arrange for the customer to revert to a fixed tariff should he prefer. The company has found that the customer was overcharged by a total of £1021.34. It has also provided £250.00 ex-gratia, £219.65 in interest, and £27.98 that was applied accidentally. The customer has therefore received £497.63 in compensation which the company submits is reasonable and proportionate.

### 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 parties are in agreement that the customer has been incorrectly billed by reference to his neighbour's water meter since moving into the property in August 2011. The dispute relates to the calculation of the refund for overpayments and the amount of compensation that is reasonable to reflect the level of distress and inconvenience suffered by the customer.

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2. In respect of the overpayments, the company has provided a spreadsheet that shows the amount billed for the incorrect meter, and the amount billed for the correct meter. The spreadsheet has 'total bill' to reflect the full amount of standing charges and usage charges billed, and 'usage value' to reflect the value of the metered portion of the bill only. I am satisfied that the issue of cross metering affects only the metered portion of the bill.
3. The spreadsheet reflects the actual charges applied for the usage, based on the cost of water for that year. There were three occasions where the customer's water usage exceeded that of his neighbour; the company has waived these charges. The total overcharges for each bill in which the customer was overcharged totals £1021.34.
4. For the avoidance of doubt, I have compared the spreadsheet to the redacted bills provided in evidence by the customer. Each bill total is approximately £3.50 lower than the sum of the usage and standing charges for water and sewerage. This appears to relate to some discount enjoyed by the customer's neighbour. However, the dispute relates to the charges based on recorded usage only. These figures match those in the 'usage value' column for the correct bills. I am therefore satisfied that the figures in the company's spreadsheet are accurate to the amount billed for usage over the period in dispute. I note that the customer has requested copy bills; however in light of the detail in the company's spreadsheets, I am not persuaded that this is necessary.
5. The customer has also provided a copy letter from the company dated 10 September 2019. This bill provides a breakdown of the water meter readings for the customer's meter and that of his neighbour. This demonstrates that, over the course of 8 years, the customer was charged for a total of 414m<sup>3</sup> of water that he did not use.
6. The company calculated a refund of overcharges based on the cost of water in 2019 for 414m<sup>3</sup> of water. This provided a refund amount of £1049.32 for all periods up to the latest meter reading, taken on 16 July 2019.
7. I am satisfied that the customer has been fully reimbursed for the overpayments, and he has benefitted from an additional refund of £27.98 based on the favourable manner in which the company calculated the refund.

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8. In addition to this, the company has agreed to pay simple interest on the amounts overpaid. The company has calculated this at a rate of 4%, based on the actual amounts overpaid on each bill. I am satisfied that this has been correctly calculated at a total payment of £219.65.
9. I acknowledge that the company did incorrectly bill the customer based on his neighbour's water meter after otherwise correcting the account. The company has since corrected this; however, I find that this constitutes a failure by the company to meet the standard expected of a reasonable water provider.
10. I am satisfied that the company has fully and correctly recalculated the customer's billing. The customer is entitled to a refund of overpayments in the sum of £1021.34; he has actually received a refund of £1049.32. The customer is also entitled to interest on the overpayments in the sum of £219.65. I am satisfied that the company has fully corrected the customer's account and that no further refund is due to the customer.
11. Turning to the customer's claim for compensation for distress and inconvenience, I note that the customer first contacted the company on 4 April 2016. The company states that it offered a visit but that the customer advised that he did not think that the company would be independent, and that the customer then terminated the call, advising that he would contact the ombudsman. I am mindful that, at this point, the company was made aware that there was potentially an issue with its billing. Whilst the customer did not agree to a visit, I find no evidence that the company followed up this contact, such as by sending a letter to the customer to advise him that a visit was necessary in order to establish if he was being billed to the correct meter, or to address his concerns that the visit would not be independent. I find that the company fell below the standard expected of it when it did not follow up the customer's contact.
12. I have no evidence of any further contact made by the customer to the company prior to 2019; I am therefore unable to find any other failures on the part of the company during this time.
13. The customer made further contact on 5 August 2019 and agreed to a visit. The company identified that there was a cross-supply issue and arranged for the customer's bills to be recalculated. I find that the company properly calculated the refund in its letter of 10 September 2019, being a credit of £1049.32. However, its letter adds charges for water between 1 April 2019 and 16 July 2019, and for sewerage between 10 January 2019 and 31 March 2019, and 1 April 2019 and 10 July 2019, based on the neighbour's water meter. The company has

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acknowledged this error. I find that it fell below the standard expected with this further incorrect billing.

14. The correspondence indicates that, following this letter, the company identified that it had incorrectly calculated the refund and that the customer was due a further £744.00. I have not been able to identify this refund or how it may have been calculated from the evidence. As above, the customer's refund calculated on 10 September 2019 was correct based on both the actual charges and the quantity of water that was overcharged for. I therefore find, on the balance of probabilities, that the company fell below the standard expected of it as it failed to adequately clarify how the refund had been calculated.
15. In addition to the above refund and interest, the company has provided the customer with £250.00 in compensation. I am mindful that the refund has rectified the overcharging issue, whilst the interest has fully made good the customer's loss flowing from him being unable to use the overcharged funds. The claim for compensation is therefore limited to the customer's distress and inconvenience only. This will relate to the duration of the period of overcharging and the customer service failures identified above.
16. The customer also submits that the company provided copy bills to him that were excessively redacted. The company redacted the bills based on its understanding of Data Protection legislation. Issues surrounding a company's compliance with data protection legislation is a matter for the Information Commissioner's Office. I am not able to make any finding as to whether the company over-redacted these bills. Accordingly, whilst I acknowledge the customer's frustration in relation to the level of redaction on the bills, I am not able to consider any stress or frustration flowing from this matter as this would first require a finding as to whether the company correctly redacted these bills.
17. I refer the parties to the WATRS Guide to Compensation for Inconvenience and Distress. This sets out the levels of compensation and the aggravating and mitigating factors that may affect an award. I find that the customer's complaint relating to incorrect billing over 8 years constitutes a Tier 3 complaint, warranting compensation of between £500.00 and £1,500.00. I am mindful that the customer raised the issue with the company in April 2016 but that the company took no action to follow up the contact or confirm that a site visit would be required to investigate the matter. I am also mindful that, when the company adjusted the customer's billing, it made a further error by reissuing the latest bill on the neighbour's meter reading. Further confusion then

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flowed from the company's efforts to explain the billing, relating to an unexplained sum of £744.00 that it advised was owing to the customer. I find these to be aggravating factors.

18. Notwithstanding this, I am satisfied that the company did correctly recalculate the refund due for the overpayment and that it did so promptly after identifying the cross-metering issue. It also applied interest to this sum without dispute. The additional incorrect billing issue was also rectified promptly once it was brought to the company's attention. I find that the company's prompt calculation of the refund and agreement to pay interest constitute significant mitigating factors on the customer's distress and inconvenience.

19. I therefore find that compensation towards the lower end of Tier 3 is appropriate. I find the sum of £600.00 to be reasonable and proportionate. I must take into consideration the company's goodwill gesture of £250.00; I find that this is the only sum provided by the company that relates to the customer's distress and inconvenience, as opposed to his monetary losses. I therefore direct the company to pay the customer the remaining sum of £350.00 in compensation.

#### Outcome

The company needs to take the following further action:

- Pay the customer the sum of £350.00 in compensation.

#### What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 04 February 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.

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- 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.
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A handwritten signature in black ink, appearing to be 'AD', with a long horizontal line extending to the right.

**Alison Dablin**, LLM, MSc, MCI Arb

**Adjudicator**

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