

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1740

Date of Decision: 7 January 2020

#### Complaint

The customer submits that the company deducted a payment from their bank account which was much higher than their usual quarterly bill and when disputed, the company revealed this was because the Wholesaler had applied retrospective Surface Water Drainage charges for their small car park. The customer asserts this was applied without proper assessment or measurement of the area concerned and therefore requests a refund of this amount, compensation of £600.00, a site visit from the Wholesaler and an apology from the company.

#### Defence

The company submits that the customer's bill was higher than usual because it was based on an actual meter read after the customer's previous invoices had been based on (low) estimates. Further, it explains the customer's invoices have always included a Surface Water Drainage charge therefore, the bill is correct. It admits however to service shortfalls when handling the customer's communications and complaint but submits it has applied credits totalling £60.00 in recognition of these service shortfalls. The customer has now changed Retailer and therefore, it is not responsible for the customer's request for a site visit from the Wholesaler. The company made no offer of settlement.

#### Findings

The company has demonstrated the disputed higher bill was due it being based on an actual meter read after the customer's previous invoices (over sixteen months) had been based on (low) estimates, as oppose to retrospective Surface Water Drainage charges in relation to the customer's car park. However, the company had suggested to the customer retrospective Surface Water Drainage charges for their car park was the cause of the high bill during the dispute period and therefore this misleading advice is evidence of it failing to provide its services to a reasonably expected standard. Due to this and other proven service failures by the company when handling the customer's account and complaint, I find that the credits already applied totalling £60.00 are insufficient recompense and I direct that the company pay the customer a further amount of £60.00 in compensation for the stress and inconvenience caused by its services shortfalls.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

**Outcome**

The company shall pay the customer an additional compensation amount of £60.00 and provide a written apology to the customer (please see paragraph 13 for more details).

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

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1740

Date of Decision: 7 January 2020

## Party Details

Customer: [ ]

Company: [ ]

## Case Outline

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

- On 4 January 2019, an amount of £223.35 was deducted from their bank account but this bears no resemblance to the usual water charge; their quarterly bills are usually £26.00. It transpired that RST Water was trying (retrospectively) to charge for water drainage on their (small) private car park without proper assessment or measurement of the area concerned.
- She had to cancel the Direct Debit to ensure this was not repeated. After she raised the above issue as a serious concern, RST Water then asked for several things but would not visit the site.
- The company has reduced ongoing bills to pay back the money taken however as the site has not been assessed, these bills are inflated and are inaccurate, in order to avoid paying the money back.
- She referred the complaint to the Consumer Council for Water (CCW) and RST appeared to be "obstructive in asking for ever more complex measurements which, as a lay person, I could not supply".
- Each tenant of Blue Association (34 properties in all on the Green Hill including the office) pays surface charges for their property and site as a whole, including the car park.
- Another social housing provider also in Green Hill Close, has a similar car park and they have confirmed they are not charge separately for this.
- She has spent many frustrating hours sending emails and on phone calls trying to get this resolved (keeping their Board of Management fully informed of the situation).

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

- As a small charitable social housing provider helping the homeless and other vulnerable people to access housing, it has to account for every penny to its Regulator and water charges have to be costed into its service to residents.
- They have paid the company a further £61.00 to avoid any late payment fees.
- The customer requests that the company refund £223.35 in full and pay £600.00 in compensation for the amount of time spent, energy and frustration this matter has caused.
- The customer requests an apology from the company, especially for the “plethora of invoices and credit notes received in July”.
- The customer requests a written assurance and a site visit that the office water meter is functioning correctly and that the bills generated are for office water and its contribution to Surface Drainage only.

**The company’s response is that:**

- The problem stems from the customer’s receipt of an invoice dated 21 December 2018 for £223.35. This invoice was produced following the customer providing a read of 128m<sup>3</sup> by email on 10 December 2018; this read was provided following several unsuccessful attempts by its meter readers to gain a read.
- Prior to this read, the customer’s account was billed to an estimated read of 58m<sup>3</sup> on 15 September 2018. A rebill of the account was actioned, and an email sent on the same date advising the customer of the balance on the account and that the account had been billed to the read provided of 128m<sup>3</sup>.
- The customer was on a Variable Direct Debit; a variable Direct Debit takes the full invoice amount 14 days after the bill is produced. The invoice produced clearly states that the Direct Debit would be taken on 4 January 2019.
- The customer’s account was migrated over from RST Water with a Variable Direct Debit in place, so this payment arrangement was maintained as it never received any notification from the customer prior to 10 December 2019 that they no longer wished to pay by variable Direct Debit.
- It received notification from the customer’s bank on 10 January 2019 confirming that the Direct Debit had been cancelled.
- In the application, the customer has advised that it revealed that RST Water had retrospectively started to charge the association for Surface Water Highway Drainage for their small car park.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

- Having reviewed the customer's account, the customer has always been charged for Surface Water Highway Drainage; the property has been billed on a band 2 since 28 March 2018, the annual charge for a band 2 is £49.77. A band 2 is used for properties that fall into the site area bracket of 21m<sup>2</sup> to 99m<sup>2</sup>, it is the wholesaler's responsibility for determining the site area of a premises, the wholesaler can gather this information from VOA, so a site visit is not always required. This property is currently listed on VOA as being 29.9m<sup>2</sup>, placing them in a band 2.
- Prior to March 2018, the property was billed on a band 3, however following information received from the Wholesaler this was amended on the customer's invoices. A band 3 chargeable area is 100m<sup>2</sup>-199m<sup>2</sup> and based on this year's scheme of charges is £99.76 annually.
- Upon receipt of the lower banding it carried out a rebill back to 11 April 2016 to reflect this adjustment.
- The customer first informed it that she suspected they were being charged incorrectly for her Surface Water Highway Drainage on 1 April 2019 and it sent via email an application form for the customer to complete for the Wholesaler to consider a Surface Water Highway Drainage reduction. It received the completed application on 24 April 2019 but unfortunately the application had not been fully completed and an email was sent on 25 April 2019 advising which sections of the form required attention.
- The updated form was returned to on 16 May 2019. It confirmed by email on 6 June 2019 this application had been forwarded on to the Wholesaler and advised of the timescale for an expected response from the Wholesaler. Unfortunately, this initial request was rejected by the Wholesaler, who advised that the request to review the site area needed to be made via a different form. It applied a gesture of goodwill of £20.00 for this error.
- Following it resubmitting the application, the Wholesaler came back on several occasions to it requiring further clarification of the site plan from the customer.
- It has attempted to gain the required information from the customer but have not been successful in gaining this information. However, the customer has now changed Retailers therefore as it is no longer the Retailer for this property, the customer will now need to pursue this application via the new Retailer.
- The increase in charges is not impacted by Surface Water Highway Drainage charges, and since being transferred to it, the Surface Water Highway Drainage charge has been reduced from a Band 3 to a Band 2.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

- Following the customer querying the site's banding it has fulfilled its obligation as a Retailer and liaised between the customer and the Wholesaler. However, the customer has supplied the requested information requested by the Wholesaler.
- The following gestures of goodwill have already been applied to the customer's account: £20.00 for submitting the incorrect form to the wholesaler and two payments of £20.00 for failing to provide substantive responses within ten working days.

### 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 is a business customer and the account to which the complaint relates is for social housing provider, Blue Association.
2. The dispute concerns a Direct Debit payment for £223.35 deducted from the customer's bank account on 4 January 2019 for water charges. The customer submits that their usually quarterly bills are £26.00 and that when she disputed the increase, the company "revealed that RST Water was trying (retrospectively) to charge for water drainage on their (small) private car park" which she says was done without proper assessment or measurement of the area concerned.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

3. At this juncture, I remind that parties that the company is the Retailer and that RST Water is the Wholesaler for the customer's region. I note the division between the Wholesaler and Retailer occurred as a result of government changes which opened up the water market which came into effect on 1 April 2017. I find that the company and RST Water are therefore two distinct and separate entities and further that a WATRS Application can only be brought against one party. In this instance, the customer's case has been defended by the company; the Retailer and therefore for the purposes of this decision, my remit is to determine the issues between the customer and the company. I am unable to consider the customer's claims or complaints regarding RST Water or other third parties. However, as a Retailer, the company is responsible for a customer's billing and for raising any issue with the Wholesaler on behalf of the customer regarding any matter that the Wholesaler is responsible for, including Surface Water Drainage charges. I shall proceed with deciding the claim on this basis.
  
4. The company submits the customer's disputed 21 December 2018 invoice of £223.23 was produced following the customer providing an (actual) meter read of 128m<sup>3</sup> by email on 10 December 2018. It contends that prior to this invoice, the quarterly invoices since August 2017 had been generated based on estimates due to it not having read the water meter (as it was located within the property) and therefore the 21 December 2018 invoice was a "catch-up" invoice. I acknowledge that the company provided details of the customer's meter reads from 1 August 2017 (to 20 June 2019) to CCW on 24 June 2019, that are included in the CCW documentation submitted in support. I find this indicates the customer's account had been billed based on estimates for the previous eight invoices, the last one being on 15 September 2018. I find that this invoice for £55.92 was based on an estimate meter reading of 58m<sup>3</sup>. Therefore, I consider this evidence to be supportive of the company's stated position as I find it suggests the low estimates during timeframe from August 2017 and up to when the company received an actual reading from the customer on 10 December 2018, accounts for the higher than expected 21 December 2018 invoice.
  
5. In relation to the customer's assertion that the increase was due to RST Water's attempting to (retrospectively) charge for water drainage on their (small) private car park, in its Defence, the company asserts the customer's bills have always included a Surface

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

Water Drainage charge based on the overall size of the plot (including the car park). It says the customer's Surface Water Drainage charge is billed on a band 2 and that the annual charge for band 2 is £49.77. It contends that a band 2 is used for properties that fall into the site area bracket of 21m<sup>2</sup> to 99m<sup>2</sup> and the customer's property is currently listed on VOA as being 29.9m<sup>2</sup>, placing them in a band 2. The company confirms that it is the Wholesaler's responsibility to determine the site area of a premises and that they can gather this information from VOA so a site visit is not always required. The company asserts that prior to March 2018, the customer's property was billed on a band 3; a band 3's chargeable area is 100m<sup>2</sup>-199m<sup>2</sup> and based on this year's scheme of charges is £99.76 annually. The company submits that following information received from the Wholesaler this was amended on the customer's invoices and carried out a rebill back to 11 April 2016 to reflect this adjustment.

6. Based on the evidence, I accept the company's above explanation that Surface Water Drainage charges have always been included in the customer's bill and further that on receipt of the lower banding, it carried out a rebill back to 11 April 2016 to reflect this. Therefore, I find there is a lack of evidence to support the claim that the high December 2018 bill was due to retrospective water drainage charges in relation to the customer's car park. Although I accept the invoice dated 21 December 2018 included a Surface Water Drainage element (£21.12), based on the evidence, I am satisfied that the customer's high December 2018 invoice was primarily because it reflected the cost of water used as recorded on meter reading after previous invoices had been based on estimate reads, which it is clear had been too low. However, I am mindful that the company has not denied the customer's claim that it suggested the high bill was due to retrospective Surface Water Drainage charges. Although I can see that in its email response to the customer dated 21 January 2019 it stated the bill was much higher because it received an actual read and that their previous bills that cover the period from 22 August 2017 to 10 December 2018 were based on estimated meter readings, the company subsequently sent the customer a site area application form on 1 April 2019 for the purposes of the Wholesaler reviewing the customer's Surface Water Drainage charges. At this point, the issue of the customer's car park is mentioned in the company's Timeline of Account (submitted as evidence) and suggests the company forwarded the customer's application for a Surface Water Drainage reduction, onto the Wholesaler as an attempt to gain redress for the disputed high bill on the basis the Surface Water Drainage charges may be incorrect. This is despite the company

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*



confirming in its Defence that the cause of the disputed high bill was not the annual £49.77 Surface Water Drainage charge but the low estimated reads during the previous sixteen months of invoices. I note that the Wholesaler's response dated 19 July 2019 (included in the Timeline of Account) seems to confirm the site area of the car park alone is not relevant as it stated it wanted the total site area the customer is responsible for (for the purposes of reviewing the Surface Water Drainage charge). On balance, I find the company provided incorrect/misleading advice to the customer surrounding the cause of the high bill. This is evidence of the company failing to provide its services to a reasonable expected standard.

7. In relation to the customer's submission that the company gave no prior warning of the higher than usual payment, I am satisfied from the evidence that the company sent the customer notification via email on 21 December 2018 of the forthcoming payment due to be taken by Direct Debit on 4 January 2019. The company has explained that the customer had in place a Variable Direct Debit which takes the full amount billed within 14 days after the bill is produced. Therefore, I do not consider that any service failure by the company has been shown in this regard.
  
8. The customer has complained about RST Water not visiting the property (as part of its review of the association's Surface Water Drainage charges). As mentioned above, I am unable to consider the Wholesaler's actions as this falls outside of the scope of WATRS. However, it is clear that the company did make promises to the customer that the Wholesaler would visit the property, yet this has not happened. In the Defence, the company appears to suggest this was due to the customer failing to provide further clarification of the site plan despite its requests. I can see that the customer provided maps of the site area and measurements as sought and therefore on balance, I consider that the company could have done more to chase the Wholesaler on the matter of a site visit previously promised as I am satisfied that the customer had reasonably endeavoured to answer all the questions she was told needed answering before a site visit was actioned by the Wholesaler. Therefore, on balance I consider the company's handling of the customer's request constitutes evidence of the company failing to provide its services to a reasonably expected standard.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

9. The customer submits the company sent them “a plethora of invoices and credit notes” in July 2019 that made no sense. The customer has included the bundle of credit notes and invoices sent to them in July 2019 which I accept does not appear to bear any resemblance to their account. The company has not addressed this claim in its Defence, however, I find that the note dated 18 July 2019 in the Timeline of Account, shows the company credited the customer’s account back to 11 April 2016 on this date due to: “the 0 read had been started at the wrong date and estimate reads were out of line with actual reads” and then that it: “added estimated reads in line with market reads and customer supplied reads for the billing period of 11/04/2016 to 1/07/2019”. I am mindful there is no evidence of the company explaining to the customer what it had done and therefore I accept the multitude of invoices and bills sent to the customer would have caused confusion. I am satisfied this constitutes evidence of the company failing to provide its services to a reasonably expected standard.
  
10. The company admits other service failures when dealing with the customer’s account including sending the customer/Wholesaler an incorrect Site Area Application form on 6 June 2019 and not responding to the customer’s communications (including her complaint emails dated 25 April 2019 and 16 May 2019) within its 10 working day timeframe. I acknowledge this amounts to the company failing to provide its services to a reasonably expected standard, however, I acknowledge that the company has applied three lots of £20.00 credits to the customer’s account in recognition of these errors.
  
11. The customer requests that the company refund the £223.35 Direct Debit payment. As I am satisfied the company has demonstrated that the bill dated 21 December 2018 is correct, I am unable to uphold this aspect of the claim.
  
12. In relation to the customer’s claim for £600.00 in compensation for: “the amount of time spent, energy and frustration this matter has caused”, as I have found additional service failures by the company (to those already admitted), I find it reasonable to direct that the company pay the customer an additional amount for the stress and inconvenience caused as a result of it failing to provide its services to a reasonably expected standard on the occasions set out above. However, I am not satisfied that the amount sought of £600.00 has been justified. In the circumstance, I direct that the company pay the customer an additional compensation amount of £60.00. I find that this amount, together

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

with the £60.00 credit already applied to the customer's account, is reasonable and proportionate to the company's service errors and which I find falls within Tier two of the WATRS Guide to compensation for Inconvenience and Distress.

13. The customer requests an apology from the company and specifically for the invoices and credit notes received in July (2019). In light of the various proven service failures by the company, including the high number of invoices and credit notes sent without explanation in July 2019, I find this request to be reasonable.

14. The customer requests a site visit from RST Water and a written assurance that their water meter is functioning correctly and that the bills generated are for office water and its contribution to Surface Drainage only. In the Defence the company advises the customer moved Retailer on 27 November 2019 and as such, it would not facilitate a visit from the Wholesaler as it would be for the customer's new Retailer to arrange. The customer has not disputed the company's assertion by way of any reply to the Defence. As such, I accept that the customer has moved Retailer, and therefore I am unable to uphold this element of the claim as I accept the company is no longer responsible for raising Wholesale issues on behalf of the customer.

#### Outcome

The company shall pay the customer an additional compensation amount of £60.00 and provide a written apology to the customer (please see paragraph 13 for more details).

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.
- 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.

---

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*



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

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

[www.WATRS.org](http://www.WATRS.org) | [applications@watrs.org](mailto:applications@watrs.org)