

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1809

Date of Decision: 28 February 2020

#### Complaint

The customer submits that he inherited a property in 2008. Since inheriting the property and prior to moving out in 2017, he was paying monthly unmeasured water charges of £180.00. In 2017, he moved into a new metered property and following the move, he realised that he had been overpaying water charges for the old property. The company failed to proactively inform him of his right to have a meter at the old property, and of the savings that he could potentially have made by opting for measured charges. In addition, he was never informed of an external use meter for non-return to sewer water. The customer requests a refund of the Rateable Value ("RV") charges he paid at his old property, and for the bills to be recalculated.

#### Defence

The company submits that it has complied with the necessary legislation and guidance regarding water meters and their installation. Without being aware of the size of a customer's household or the amount of water used in the household, it would not be able to ascertain if the customer's bills were higher than necessary. It will always actively promote metering to customers as a way of potentially reducing their charges when it receives telephone or written contacts from customers. The benefits of having a water meter installed are promoted in its customer newspaper, welcome packs and via its bills. No offer of settlement was made.

#### Findings

Under the Water Industry Act 1991, a customer must elect for charging on a metered basis and until such time as a customer does so, the Rateable Value (RV) tariff is the legal basis of charging. The evidence supports the company's submissions that information about metering was provided to the customer. There is no evidence to show that the company charged the customer incorrectly on the RV basis for his old property. No evidence has been submitted to this adjudication to show that the company was under an obligation to inform him of an external use meter for the non-return of water to the sewer until the customer made it aware of how water was used in his household. The evidence submitted to this adjudication does not show that the company has acted contrary to any law or policy, or charged the customer incorrectly, and that the company is under an obligation to issue a refund and recalculate charges.

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Outcome

The company does not need to take any further action.

The customer must reply by 30 March 2020 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1809

Date of Decision: 28 February 2020

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

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

- He inherited a property (2 Green Street) in 2008. Since inheriting the property and prior to moving out in 2017, he was paying monthly unmeasured water charges of £180.00. He believed these charges were high, but continued to make payment as he was unaware of how the water billing structure worked.
- In 2017, he moved into a new metered property (1 White Walk) and following the move, he realised that he had been overpaying water charges for 2 Green Street.
- The company failed to proactively inform him of his right to have a meter at 2 Green Street, and of the savings that he could potentially have made by opting for measured charges. The company could have done more to educate its customer about meter installation and saving money, placing a small caption on the back of the bill is not enough.
- They were never informed of an EU meter for non-sewerage water. His wife had some 5000 plants that she constantly watered. This would have resulted in a substantial reduction in sewerage charges.
- The customer requests a refund of the Rateable Value ("RV") charges he paid at 2 Green Street between 2008 and 2017, and for the bills to be recalculated using his measured Average Daily Usage ("ADU") at his current property. The customer submits that he is due a refund of £9,000.00.

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

- There is no (and has never been an) obligation for it to take the steps suggested by the customer regarding metering. It has complied with the necessary legislation and guidance regarding water meters and their installation.
- Without being aware of the size of a customer's household or the amount of water used in the household, it would not be able to ascertain if the customer's bills were higher than necessary. Whilst on average customer's bills will reduce when changing from RV billing to metered billing, this is not always the case and in properties where the usage is high it is possible that the charges could increase when changing to metered billing.
- Identifying which RV properties would benefit from a meter would entail contacting each individual customer to discuss their usage, which would be disproportionate and cost, a cost which would be borne by customers. Moreover, historically the type of direct contact that would be needed to actively promote water meters to RV customer could be construed by some customers as being nuisance calls.
- It adopts a practice of promoting meters in other ways which it believes is best. It will always actively promote metering to customers as a way of potentially reducing their charges when it receives telephone or written contacts from customers. Having reviewed the contact history for the property, it can only see one occasion when such a promotion could have occurred. In 2017, the customer contacted it to advise that he was struggling financially, and as such it was suggested that a water meter was installed. This was never followed up as the customer advised that he was moving out of the property soon but would make sure there was a meter installed at his new home.
- The benefits of having a water meter installed are promoted in its customer newspaper – WaterLevel, which all customers receive in the post.
- When it becomes aware of a new occupier of a property, it will also send out a welcome letter which amongst other things contains information about how the charges at the property are raised. In this case, the customer was sent a welcome pack on 25 September 2008, the welcome pack specifically stated that the water supply to the property was unmeasured and provided a booklet as to what this meant entitled "Your unmeasured bill questions and answers." A copy of this letter has been provided in evidence. Unfortunately, the booklet referred to is no longer available and cannot be provided.
- Apart from this welcome pack, the main way it promotes water meters to RV customers is via its bills. The backs of bills contain advice to customers about water meters, and promote them to visit its website or call it to receive information. In previous correspondence the customer has

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suggested that he did not take notice of this provision as he was paying by standing order so any invoice he did receive “would have been discarded as being totally irrelevant.” Whilst it is unfortunate that the customer did not heed of this provision this was through no fault of its own.

### 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. I must remind the parties that adjudication is an evidence-based process.
2. 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.
3. Under Section 143 of the Water Industry Act 1991 the company is entitled to make a Charges Scheme which fixes the charges for any services provided by the undertaker in the course of carrying out its functions.

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4. A company's Charges Scheme must be approved by OFWAT, the Water Industry Regulator. There is no evidence to show that the company's Charges Schemes have not been approved by OFWAT or do not comply with OFWAT's Charging Rules.
5. Under Section 144A of the Water Industry Act 1991 a customer must elect for charging on a metered basis by serving a measured charges notice and until such time as a customer does so, the RV tariff is the legal basis of charging. It is not within my power to disregard or challenge this legislation.
6. The company has submitted excerpts from its bills which support its submissions that in 2008 when the customer became responsible for the charges for 2 Green Street it promoted metering on the backs of its bills, and in 2012 this information was then moved to the front of bills.
7. The customer does not refute receipt of the company's welcome pack, bills and newspapers, or dispute that information about water meters was given on this literature.
8. I acknowledge the customer's submissions that placing a small caption on the back of the bill was not enough. However, no evidence has been submitted to this adjudication to show that the company was under an obligation to do more than it did.
9. In addition, there is no evidence to show that the company is obliged to monitor individual customers' usage and contact each individual customer to discuss their usage. I accept the company's submissions that without it being aware of the size of a customer's household or how water is used in that household, it would not be able to ascertain if a customer's bills were higher than necessary.
10. There is no evidence to show that the company charged the customer incorrectly on the RV basis for 2 Green Street.
11. I also note the customer's further submissions that the company never informed him of an external use meter for the non-return of water to the sewer. However, no evidence has been submitted to this adjudication to show that the company was under an obligation to do so. I am also particularly mindful that as discussed above, without being aware of how water is used in a household, a company would not be able to ascertain if a customer's bills were higher than necessary.

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12. Please note that any question regarding the fairness of the company's charges are outside the scope of WATRS and fall out of my remit to consider. Under WATRS Rule 3.4.1, WATRS is not the appropriate forum to determine any complaints regarding the fairness or otherwise of the company's charge bases. My remit is to determine whether a company has acted in accordance with legislation and/or its published policies and the evidence submitted to this adjudication shows that the company has fulfilled this obligation.

13. Consequently, I acknowledge the customer's claim and I can appreciate that the customer will be disappointed that I am not in a position to direct the redress sought. However, in view of all of the above, in the absence of any evidence to show that the company has acted contrary to any law or policy, or charged the customer incorrectly, the customer has not shown that the company is obliged to issue a refund and recalculate charges.

#### **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 30 March 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.

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**U Obi LLB (Hons) MCI Arb**

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**www.WATRS.org | applications@watsr.org**



**Adjudicator**

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