

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT 1868

Date of Decision: 13 March 2020

#### Complaint

The customer pays both Severn Trent Water and the company for water services. The company's standing charge for waste water is excessive. The customer requests that his costs are reduced to a sensible level, or he is able to pay Severn Trent only.

#### Defence

The customer's property is located on the boundary of two water companies. Severn Trent supplies water services and bills the customer; the company provides waste water services. The fixed service charge is based on the average cost to supply waste water services in the company's region and it cannot be adjusted. The customer would need to make alterations to his waste water arrangements in order to be charged by Severn Trent Water.

#### Findings

The customer's property is served by different companies for water and waste water services. The customer's sewer has been traced and flows into an asset owned and operated by the company. The company is therefore entitled to charge the customer for waste water services. The standing charge is based on the cost to supply water to customers and cannot be altered. The company did not refer the customer to any assistance tariffs that he may qualify for, although the customer had stated that he is in receipt of a pension and struggling to make payments.

#### Outcome

The company needs to take the following further action:

Contact the customer to provide details of any affordability assistance tariff that he may qualify for and discuss whether he meets the requirements of these tariffs.

The customer must reply by 29 April 2020 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT 1868

Date of Decision: 13 March 2020

## Party Details

Customer: [ ]

Company:[ ].

## Case Outline

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

- The customer's standing charges are greater than his water charges and he must pay both Severn Trent Water and the company. The customer requests to have his costs reduced to a 'sensible' level or, preferably, for him to have to pay only Severn Trent Water as their charges are more reasonable.

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

- The company states that the customer's property is located on the boundary of two water companies. The water services are provided by Severn Trent Water and the waste water services are provided by the company. Severn Trent Water, as the company providing water services, is responsible for billing the customer's property on the company's behalf. The service charge is the same for all customers and is based on the average cost to supply water in the company's service area. Due to the sparse population and topography of the company's service area, the cost to serve is higher than for some other water companies. It has nevertheless kept bills as low as possible, keeping the annual price increase below the level of RPI inflation for 10 years. The company is highly regulated by Ofwat and it must comply with the rules Ofwat set for charging. The company is entitled to fix and recover charges under the Water Industry Act 1991. The company understands that, as the customer is a low water user, the service charges make up a greater proportion of his bill. The company has confirmed that the customer's sewerage is taken to the Newland treatment works which is a Welsh Water asset. If the customer would like

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his sewerage services to be provided by the billing company, he would need to make alterations to his waste water arrangements and connect to an asset of the billing company. The company cannot assist with this. It is also not able to comment on the customer's friend's billing arrangements; it is not aware of the particular details and is unable to comment due to data protection legislation. The company acknowledges the customer's frustrations, however it is not able to reduce the service charge for the customer.

### **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. Please note that 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's property sits on the boundary between two water companies. Severn Trent Water supplies the customer with fresh water and bills the customer for all services. The company, Welsh Water, provides water treatment services, taking and treating the customer's waste water and sewerage.
2. The customer's bill therefore consists of the fixed standing or service charge and metered charges for fresh water applied under the Severn Trent Water charges scheme, and the fixed service charge and metered charges for waste water applied under the Welsh Water charges

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scheme. The Welsh Water service charges appear to be greater than those that would be applied by Severn Trent Water and this disparity forms the basis of the customer's dispute.

3. I am mindful that the company must publish a scheme of charges that complies with rules set out by Ofwat. These rules include limits on the amounts that the company may charge for its services. This level of regulation reflects that household customers are not able to change their water supplier without moving to a different property in a different service area.
4. The customer is charged for services under the charges scheme applicable to the company that supplies those services. The customer's water services are supplied by Severn Trent Water as his property is located within the boundary of the Severn Trent Water service area. However, the customer's waste water services are provided by the company, with the customer's sewer being traced to the Newland waste water treatment works, owned and operated by the company.
5. I find that there is no facility for the customer to opt to be charged for waste water by the same company that supplies fresh water. In the customer's case, these services are supplied by different companies and must be charged accordingly.
6. I acknowledge that this will be disappointing for the customer, especially as the company's fixed service charge is higher than for some other suppliers. However, this charge is based on the average cost to supply the wastewater service to all customers within the company's supply region. Unlike the variable charge for metered water use, the fixed service charge cannot be amended by changing water use habits. The cost to provide and maintain the infrastructure remains the same for each customer, irrespective of the volume of water used.
7. The company has noted that the customer would need to make alterations to his waste water arrangements in order for this to be billed by Severn Trent Water. I accept that this is accurate, however I note that it is unlikely to be a feasible option for the customer. The catchment area for the Newlands waste water treatment works extends beyond the boundary of the customer's property and it would take significant changes to infrastructure for the customer's waste water to be serviced by Severn Trent Water. I find that it may be impossible for such changes to be made and the cost of any such work would be disproportionate.
8. I also acknowledge the customer's submissions that a friend is billed the Severn Trent Water rates for waste water although they are also served by the Newland waste water treatment

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works. I have no evidence of this, and I note that the company is not able to comment on this matter due to data protection legislation. I also find that the dispute relates to the customer's charges only, reflecting the infrastructure actually serving his property.

9. In view of the above, I find that the customer must be charged for waste water services under the company's charges scheme as the waste water from his property is treated by the company. Household customers do not have any facility to change water supplier. There is also no basis for the service charge to be reduced as this is a fixed rate for all customers and not a variable charge. I accept that this charge is set at a level to fairly distribute the cost to supply wastewater services to all customers within the Welsh Water region and that there is no basis for this to be removed for any individual customer within that region. The customer's claim is therefore unable to succeed.
10. Notwithstanding the above, I am mindful that the customer is around 76 years of age and states that "it is hard to make my pension go round without having to pay these excessive standing charges". I note from the company's charges scheme that it has a number of affordability assistance tariffs that may reduce the service charge in strict circumstances and only where the customer meets the qualification criteria. I am mindful that the customer would need to apply for any such assistance tariff and would need to meet the criteria of such a scheme in order to benefit from this. However, such schemes do not appear to have been mentioned by the company in its handling of the complaint. I therefore direct the company to provide the customer with the details of any affordability assistance tariff that he may qualify for and discuss whether he meets the requirements of these tariffs.

#### **Outcome**

The company needs to take the following further action: Contact the customer to provide details of any affordability assistance tariff that he may qualify for and discuss whether he meets the requirements of these tariffs.

#### **What happens next?**

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 29 April 2020 to accept or reject this decision.

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- 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.
  - 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 'Alison Dablin', with a long horizontal stroke extending to the right.

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

**Adjudicator**

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