

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/2047

Date of Decision: 9 October 2020

#### Complaint

The customer received a very high water bill in April 2019, but he had received no telephone calls or letters from the company before this to tell him his usage had gone up. Two inspectors from the company visited the property to investigate; the first told him his meter was faulty and the second found a small internal leak which he repaired. However, the small internal leak cannot explain the 400% increase in his bill and although the customer has asked the company to explain the high charges, it has failed to do so. The company's customer service has been very poor throughout his complaint; it failed to return calls and emails, it failed to communicate with him, it threatened to cut his water off, it increased his Direct Debit without notice, and it has been unable to resolve this problem. The customer wants the company to resolve this issue, explain why it increased his bills so much without any significant increased usage, apologise and pay £2,000.00 in compensation for the poor customer service and stress he has suffered.

#### Response

The customer's high bill was caused by an internal leak. As the customer's retailer, the company fulfilled its obligation by sending the customer's complaint to XWater("the Wholesaler"), however, the Wholesaler refused to grant a leakage allowance because the leak wasn't repaired within the timescale stated in its leak allowance policy. The company disputes liability to pay the customer compensation of £2,000.00, but offers the customer £500.00 in full and final settlement. The offer is made for two reasons; firstly, because it believes the customer's expectations may have been unfairly raised by being advised to apply for a burst allowance when it was clear he wouldn't qualify and, secondly, because it accepts that there were some customer service delays. The company also offers to set up a payment plan for the customer.

#### Findings

The company is the customer's retail provider and is responsible for billing, accounting and customer services. XWater is the customer's wholesaler and is responsible for the authorisation of leakage allowances. As an adjudicator on the Water Redress Scheme, I can only make findings related to those things for which the retailer, as the party to the case, has responsibility, and not those

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things for which a Wholesaler has responsibility. Therefore, I am unable to adjudicate on the Wholesaler's decision to refuse the customer a leakage allowance. I find that the customer service delays shown in evidence meant that the customer was not given the chance to apply for a leak allowance within the necessary timeframe and the company failed to provide its service to the standard reasonably expected by the average customer in this regard. However, due to information provided by the Wholesaler, I do not find that the company's customer service failings affected the outcome of the customer's leak allowance application. I find no evidence that the meter was faulty and, on balance, I find the charges on the customer's account are correct and payable. The customer complains about other customer service issues but I find no other failings on the company's behalf. I do not find that the failings shown in evidence justify the amount of compensation the customer claims, but I do accept that the delays caused the customer distress and worry and I direct the company to apologise to the customer and pay £100.00 in compensation. However, the company has made a settlement offer of £500.00 and have asked me to bring this to the customer's attention. Therefore, if the customer wishes, he can accept the settlement offer instead of this decision.

#### Outcome

I direct the company to pay the customer £100.00 in compensation for distress and inconvenience and send a written apology to the customer.

The customer must reply by 6 November 2020 to accept or reject this decision.

# ADJUDICATOR'S DECISION

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## Party Details

**Customer:** Customer

**Company:** XWater, a water and sewerage company.

## Case Outline

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

- He is the landlord of removed and in April 2019 he received a bill that was 400% higher than normal.
- The company had not previously contacted him to tell him that his water use had increased and nothing has changed in his pub to explain it; he had not increased the amount of toilets, urinals, showers or kitchen equipment.
- Two inspectors from the company visited the property to investigate; the first told him his meter was faulty and the second found a small internal leak in the ladies' toilets which he repaired. However, the small internal leak cannot explain the huge increase in his bill and although he has repeatedly asked the company to explain why his bill is so high, it has failed to do so.
- The company's customer service has been very poor throughout his complaint; it failed to return calls and emails, it failed to communicate with him, it failed to resolve the problem, it failed to tell him that his Direct Debit was increasing from £149.00 to over £600.00 per month, it telephoned him and threatened to cut his water off while he was on holiday, and every time he telephoned the company he spoke to a different person and had to explain the situation from scratch time after time.
- The customer wants the company to resolve this issue and send a representative to inspect his pub and explain why his charges have increased so much without any increased usage.
- He wants one of the company's employees to manage his account so that he is able to contact them if he needs to and they will understand the history of his account.
- He wants easy to understand bills and regular correspondence.

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- He wants the company to apologise and pay him £2,000.00 in compensation for its customer service failings and for the stress and worry he has suffered.

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

- On 9 May 2019, the customer telephoned to discuss his high bill. During the call, the billing of the account was explained and the customer was told that his Direct Debit payments weren't enough to cover the consumption and the balance on his account.
- The customer explained that he would like someone to visit his property as he believed there was something wrong with the meter. Meter testing was offered and the customer was told that this would be a chargeable service.
- On 15 May 2019, the customer called and his account balance and Direct Debit payments were discussed again. The customer was unhappy with the explanation he received so his complaint was escalated.
- On 21 May 2019, it telephoned the customer to discuss the complaint and he explained that the Wholesaler was going to visit the property on 30 May 2019 to check for leaks.
- A leak detection visit took place on 30 May 2019; however, the engineer was unable to locate the internal stop tap. A second visit was arranged for 10 June 2019; however, when the engineer attended no one was present.
- On 3 July 2019, the customer telephoned and said that the Wholesaler's engineer had attended and found a fault on the meter, however, no evidence of this has ever been received from the Wholesaler, a meter accuracy test has not been performed, and the meter has not been exchanged.
- The customer was advised to complete a self-leak test but he refused. Instead, it asked the Wholesaler to visit the property again to check for any leaks.
- The test took place on 26 July 2019 and one of the customer's employees was present at the time of the visit. The results showed that there was a leak on the pipework in the toilets.
- Whilst the engineer was on site he read the meter; the reading was used to rebill the customer as the previous reading had been incorrect. An email was sent to the customer with the new balance and it advised the customer to get a plumber to fix the leak.
- On 5 August 2019, a stage 1 written complaint was raised on the customer's account. This wasn't properly responded to until 9 September 2019 so a goodwill payment of £20.00 was added to the customer's account. When it responded to the complaint, the customer was told that he would need to repair the leak in the toilets within twenty eight days to qualify for a leak allowance and an application form was sent to the customer.

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- On 17 September 2019, the customer telephoned as he had not received the leak allowance form. The form was re-issued and was returned partially completed on 10 October 2019.
- On 24 December 2019, an email was sent to the customer to advise him that the form hadn't been completed correctly and a further form was issued. It received the completed application on 31 January 2020 but, again, the customer had not provided all the required information because he had not stated the date the leak was repaired. He was asked for the missing information and, on 3 March 2020, the customer provided the repair date as October 2019.
- On 16 March 2020, an email was sent to the customer to explain that, as he had not repaired the leak within twenty eight days of discovering it, he didn't qualify for an allowance.
- On 20 March 2020, the customer telephoned and, as a result, his complaint was taken to the next stage. During the call, the customer was told that the Wholesaler was responsible for granting leak allowances and he didn't qualify; he was advised to contact his insurer.
- As the customer's retailer, it has fulfilled its obligation to raise the customer's complaint with the Wholesaler, however, as the Wholesaler would not grant an allowance, it is unable to apply an allowance to the customer's high bill.
- It reviews Direct Debits on a frequent basis and sends letters to customers when it needs to increase a direct debit to cover a customer's water usage and/or balance. The customer was sent a letter informing him that his Direct Debit needed to be increased in April 2019.
- During the complaint investigation, the debt collection process for non-payment was stopped. However, the balance on the customer's account is now due and payable. In order to assist the customer, it offers to set up a 24 month payment plan.
- The customer wants compensation of £2,000.00 and, although it disputes liability, it offers the customer £500.00 in full and final settlement. The offer is made for two reasons; firstly because it believes that the customer's hopes may have been unfairly raised by being advised to apply for a burst allowance at a time when it was clear that the Wholesaler would refuse an allowance and, secondly, because it accepts that there were some customer service delays.

### 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.

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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. Having read the evidence provided by both parties, I find that the company is the customer's retail provider and is responsible for billing, accounting and customer services. XWateris the customer's wholesaler and, in the event of leaks, is responsible for the calculation and authorisation of leakage allowances.
2. In order to make a decision in this matter I must clearly explain that since the water market in England opened up to retailers in April 2017, all non-household customers have been moved to a wholesale/retail split service. As a result, a non-household customer now only has a relationship with the retailer. In turn, as an adjudicator on the Water Redress Scheme, I can only make findings related to those things for which the retailer, as the party to the case, has responsibility, and not those things for which a wholesaler has responsibility. Therefore, I am unable to adjudicate on a wholesaler's decision to authorise or refuse a leakage allowance, but I am able to assess how effective the retailer has been in representing a customer's position to a wholesaler and a wholesaler's position to a customer.
3. The evidence shows that the Wholesaler found a leak on the customer's toilets on 26 July 2019. The company states that the customer made a formal complaint on 5 August 2019 and, although the company acknowledged the complaint on 14 August 2019, it didn't fully respond to the complaint until 9 September 2019. The company states that in this response it told the customer that he could apply for a leak allowance but, in order to qualify, he would have to get the leak fixed within 28 days of being notified he had it. Therefore, as the customer was told he had a leak on 26 July 2019, the 28 day time limit had already passed when the company gave him this advice, and there was a further delay as the customer did not receive the application form until after 17 September 2019.

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4. In view of this, I find that the delay in providing the customer with the leak allowance advice and application form meant that the customer wasn't given the chance to apply for a leak allowance within 28 days from the date he was informed he had a leak; therefore, he couldn't have met the Wholesaler's leak allowance criteria in any event.
5. On 10 October 2019, the customer submitted the application form but the company failed to tell him that it had not been correctly completed until 24 December 2019. On 31 January 2020, the customer sent the company a second leak allowance application but, again, the form hadn't been completed properly as it didn't state the date the leak had been repaired. It is unclear when the company told the customer he had provided incomplete information, but on 3 March 2020 the customer told the company that the leak had been repaired in October 2019.
6. Having considered the evidence provided by the parties, I find that the company failed to provide its service to the standard reasonably expected by the average customer by failing to provide the customer with a response to his complaint until 9 September 2019 and failing to inform him about the 28 day time limit until it was too late. I also find that the company failed to meet the expected standard of service by failing to inform the customer that his application had been incorrectly completed until 24 December 2019.
7. However, I note that the Wholesaler's response to the questions asked by CCW includes a statement that the leak was on two toilet overflows and that it does not provide leakage allowances for leaks on internal fixture and fittings, like toilets. Therefore, I find it unlikely that the customer's leakage allowance application would have been successful even if the leaks had been fixed within the 28 day time limit. On balance, I do not find that the company's customer service failings affected the outcome of the customer's leak allowance application.
8. The customer does not accept that the leak on the toilets could cause such a large increase in charges. However, having reviewed the evidence, I find that there is no evidence to suggest that the meter was faulty. On balance, while I understand that my decision will disappoint the customer, I find the charges on the customer's account are correct and payable and I cannot direct the company to reduce the disputed bill.
9. The customer also complains about other customer service issues; a debt recovery agent told him that his water would be cut off if he didn't pay his bill, he had to speak to different customer

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service representatives every time he called to discuss his complaint, the company did not tell him that his usage was high until April 2019, and he was not told that his Direct Debit payments were increasing.

10. I have considered all the evidence provided by the parties and, whilst I appreciate the distress the customer would have felt when he was told his water may be cut off, and the frustration of having to go over his complaint time and time again with different customer service representatives, I do not find that these issues amount to failings on the company's behalf; I accept that the company was entitled to instigate its debt collection procedure and that it would not be practical for the company to ensure that the same customer service representative spoke to the customer every time he telephoned. I also find that the letter sent to the customer on 16 April 2019 outlined the increased Direct Debit payment schedule and that bills sent between April 2018 and April 2019 showed the customer's consumption was rising. Also, having considered the evidence, I am satisfied that the company acted as an effective intermediary between the customer and the Wholesaler.
  
11. The customer claims £2,000.00 as compensation for the distress and worry he has suffered as a result of the company's customer service failings. I note that the company has already paid the customer a gesture of goodwill for failing to respond to his complaint until 9 September 2019 but, having considered the length of the delay, and the delay in informing the customer that he had incorrectly completed the application form, even though the delays probably didn't affect the outcome of the customer's allowance application, I accept that the customer's complaint was unnecessarily dragged out and that this caused the customer worry and stress. Therefore, I do not find the amount already paid by the company fairly compensates the customer.
  
12. To help me decide how much compensation the customer should be paid, I looked at the WATRS Guide to Compensation for Distress and Inconvenience and found that the customer's claim fits into the top of the 'Tier 1' category on the award scale. Therefore, I direct the company to pay the customer £100.00.
  
13. The company's response does not include an apology to the customer and, therefore, I find it appropriate for the company to issue the customer with a written apology for the customer service delays and the distress and worry they caused the customer.

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14. The customer also asks for the company to issue clear bills and statements but, having examined the bills provided in evidence, I find the bills are clear enough to meet the expected standard. The customer also wants his account to be managed by a single employee so that he doesn't have to speak to different people every time he telephones the company, however, I accept that this would not be practical. The customer also asks for the company to visit the property and explain why his charges have gone up so much but, as the company has already checked for leaks, I find that the company is not responsible for explaining the customer's usage any further. I understand my decision will disappoint the customer, but I make no direction to the company with regard to these matters.

15. The company has made a settlement offer of £500.00 because it accepts that the customer may have had his hopes raised by being provided with a leak allowance form when the company knew the customer's application would not be accepted by the Wholesaler, and because the company accepts that there were some customer service delays. The company has also offered to set up a payment plan for the customer. This means that the customer has a choice: he can either accept my adjudication and the remedies I have directed the company to provide (£100.00 and an apology), or reject my decision and accept the payment plan and the settlement offer of £500.00 made by the company.

#### **Outcome**

I direct the company to pay the customer £100.00 in compensation for distress and inconvenience and send a written apology to the customer.

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

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 6 November 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.

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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.

*KS Wilks*

Katharine Wilks

**Adjudicator**

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