

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /2049

Date of Decision: 6 October 2020

Complaint

The customer states that the property was empty, major renovation works were being undertaken and the stop tap for the water at the premises had been turned off. Arrears had built up as bills had not been sent to a correct address. Upon receipt of the initial bill, he contacted the company to make payment and query amounts on the bill. The company was unable to explain why the first part of the bill for £88.83 was for an estimated reading and the rest of the bill was calculated with actual readings. He paid the parts of the bill calculated using actual readings and continued to request an explanation of the bill. However, the company did not provide an explanation and registered a Default on his credit file for the outstanding amount of £88.83. The customer requests that the company remove the credit markers on his credit file, provide an apology and pay £2,500.00 for distress and inconvenience.

Response

The company states that the customer's account was opened on 9 November 2018 after it noticed there was usage being recorded through the water meter. It had to undertake searches to locate the customer. The account was opened on an estimated meter reading, as it had no record of being notified of the renovation works being completed at the Property. It explained to the customer that as it had not been provided with an accurate meter reading, the estimated reading and charges were correct. It issued the Default notice on 22 February 2019 requesting payment in full by 22nd March 2019. As no payment was received until 16 April 2019, the Default was reported. It has a duty to accurately report payment activity on customer accounts. Removing the Default would be falsifying information.

Findings

Meter readings show water usage from at least September 2016. There is no evidence to show that the stop tap for the water at the premises had been turned off. As the owner of the property, it was the customer's responsibility to ensure that he provided the company with appropriate and accurate information about the property and where to send bills. As the customer did not provide a meter reading, the company was entitled to bill the property based on estimates. The evidence supports, on a balance of probability, the company's submissions that it provided an explanation of its charges on its calls with the customer. The company has a legal duty to accurately report the payment status of customer accounts. As payment was not made by the requested

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deadlines, the company was legally obliged to file late payment markers and a Default.

Outcome

The company does not need to take any further action.

The customer must reply by 3 November 2020 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/DCW/2049

Date of Decision: 6 October 2020

Party Details

Customer: The Customer

Company: XWater

Case Outline

The customer's complaint is that:

- The property was empty and unfurnished for some time whilst it was renovated. The property itself was in disrepair with major building works being implemented. The stop tap for the water at the premises had been turned off.
- Upon receipt of the initial bill which had built up arrears due to the bill not being delivered to a correct address, he rang to make payment and query any amounts on the bill.
- The company was unable to explain why the first bill for approximately £80.00 was an 'estimated' reading and the rest of the bills were calculated with 'actual' readings' especially as he had only recently moved into the property and water had only been connected to the plumbing system in January 2019.
- He agreed on the call to pay the outstanding arrears immediately for all other bills which gave actual readings. He asked for the company to clarify its calculations for the estimated bill before making payment of the final £88.83 outstanding.
- The company then sent a further demand notice for the outstanding amount of £88.83, again without any explanation for how the amount was calculated.
- This letter also threatened to raise a default on his credit file. He called the company again asking for the information about its calculations of the outstanding amount. Again the information could not be given.

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- The company then carried out its threat and registered a default on his credit file for the outstanding amount of £88.83 although it could not explain to him how the 'estimated' reading had been calculated. He was just told to pay.
- Upon notification of his credit file being altered he again called the company to question why this inaccurate information had been placed on his credit file. The company's response was that it had been accurately placed and that it did not need to explain anything to do with billing.
- Under duress and for fear of this default further impacting his future credit he immediately made payment in full.
- He then asked the company to remove the default, which it refused to do.
- The impact of this has had a huge impact on his life as had always had an excellent credit rating and the ambiguous default placed on there has now left his credit rating in the very poor category. He has been refused loans and a mortgage for a property. He is a local business owner and the impact this has had on him has been significant.
- The customer requests that the company remove the credit markers on his credit file, provide an apology and pay £2,500.00 for distress and inconvenience.

The company's response is that:

- The customer's account was opened on 9th November 2018, after the water meter showed that there had been continuous water usage since March 2017.
- As its records showed the Property as unoccupied, it completed searches with the Land Registry and Rent Smart Wales ("RSW"). The Land Registry confirmed that the customer is the owner of the Property, and RSW confirmed that it was not listed as a rental property, resulting in an account being opened in the customer's name.
- Land Registry records provided an alternative address for the customer, and this was updated as the forwarding address on his account. The initial bill (dated 10th November 2018) for £289.07, was sent to this address.
- As there had been consistent usage recorded through the water meter, charges were backdated 12 months (9th November 2017). The account was opened using an estimated meter reading. This is because it usually reads meters every six months and on the day the account was opened there was no meter reading available on that day. This was done correctly and in line with its process.
- The first contact it had with the customer was on 7th January 2019, when it called him to discuss the balance. At this point, the customer advised that he had not received the bill and requested that a copy be sent to him, which it did.

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- On 16 January 2019, the customer contacted it after receiving a Final Notice and SMS message about the outstanding balance. During this contact, the Customer informed it that he had been renovating the Property since 2017 and he believed that the water had been turned off. It was for this reason that he disputed the bill period 9th November 2017 to 1st March 2018. It confirmed that it had not turned off or disconnected the supply.
- When a property is undergoing renovation/decoration, the charges are payable in full.
- The customer made a payment of £200.24 to cover his charges from 2nd March 2018. This left a balance to pay of £88.83.
- It received no further contact from the customer until 25th February 2019, after he received the Notice of its intention to file a Default letter (“Default Notice”) dated 22nd February 2019. Again, this was sent to [].
- It was at this point that the customer informed it that [] is his parents’ address.
- The customer was unhappy with receiving the Default Notice, as he believed this was due to the charges being based on an estimated opening reading. It explained that based on the information available to it, the charges were correct and payment in full needed to reach it by 22nd March 2019 to prevent a default being registered.
- The Default was registered on 23rd March 2019. The customer’s payment reached it on 16th April 2019.
- It understands the customer will be disappointed with its response, but as it has explained, the charges were correct, and that it has a duty to accurately report payment activity on customer accounts.

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

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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. Adjudication is an evidence-based process and 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.

Property renovation

2. The company states that the first contact it had with the customer was on 7 January 2019.
3. The evidence submitted by the customer in his WATRS Application Form shows that the customer subsequently informed the company that he had purchased the property in 2015 and the property had undergone renovation works prior to him moving into the property. This evidence also shows that during a call with the company on 16 January 2019, the customer informed the company that he moved into the property in February 2018. However, the customer states that his plumber did not connect the water at the property until January 2019.
4. The company has submitted its Scheme of Charges in evidence which confirms that when a property is being renovated, charges are payable in full.
5. A company's Scheme of Charges must be approved by OFWAT, the Water Industry Regulator. There is no evidence to show that the company's Scheme of Charges have not been approved by OFWAT or do not comply with OFWAT's Charging Rules.
6. The customer was therefore responsible for the charges at the property from 2015.
7. In addition, the meter readings have been submitted in evidence which the readings confirm that water was being used during the period of renovation, from at least September 2016.

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8. There is no evidence to show that the stop tap for the water at the premises had been turned off.

Bill sent to the incorrect address

9. The customer submits that he received the initial bill which had built up arrears due to bills not being sent to the correct address. The customer therefore indicates that the property address was not the correct address for him.

10. It is not in dispute that the first contact the company had with the customer was on 7 January 2019.

11. The company also states that it sent four 'Registration for Water and Sewerage' letters to the property between August 2017 and September 2018. These letters advised that as there is no account set up, the water and sewerage services should not be used. It also requested it be notified of the occupier's details. However, no response was received.

12. The company also states that as usage was being recorded that it had to undertake searches with the Land Registry, RSW and financial institutions in order to locate the customer. Its searches eventually located the customer at an alternative address of [].

13. The initial bill dated 10 November 2018 for £289.07 was sent to the customer at the alternative address. The evidence shows that the company's correspondence was being received by the customer at this alternative address.

14. I accept the company's submissions that, as the owner of the property, it was the customer's responsibility to ensure that he provided it with appropriate and accurate information about the property. It is a customer's responsibility to inform a company when a property has been purchased and who will be responsible for the water charges.

15. In the absence of any evidence showing that the customer provided the company with appropriate and accurate information about where to reach him, the customer has not shown that the company failed to send bills to the correct address.

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16. The customer has not shown that the company failed to provide its services to the standard to be reasonably expected in this regard.

Estimated reading

17. Having located the customer, the company states that an account was opened in the customer's name on 9 November 2018, and backdated 12 months to 9 November 2017, in line with its policy.

18. There is no evidence to show that the company's policy is contrary to any law or code. Or that the company has applied its policy incorrectly.

19. The company submits that as it had read the meter on 1 September 2017 and taken a reading of 501, when the account was opened from 9 November 2017; over two months later, with no other reading available it used the reading of 501 as an opening estimate.

20. Under OFWAT guidelines, water companies may issue bills based on estimates.

21. I am also mindful that as discussed above, although the company has billed the customer from November 2017, the customer was responsible for the charges at the property from 2015 and meter readings confirm that water was in fact being used at the property from at least September 2016.

22. The company submits that it provided an explanation of its charges on each call it had with the customer. The company has provided detailed notes of its communications with the customer throughout the period. The company's submissions are clear and consistent with the documents submitted in evidence. I am therefore inclined, on a balance of probabilities, to attach weight to the company's account of the parties' contact. The customer has not shown that the company failed to provide its services to the standard to be reasonably expected in this regard.

Late payment markers and Default

23. The company issued the bill on 10 November 2018 requesting payment before 23 November 2018.

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24. The company states that on 16 January 2019, the customer made a payment of £200.24, to cover his charges from 2nd March 2018, leaving the balance of £88.83 to pay. On 16 April 2019, the customer paid off the outstanding balance.
25. As discussed above, there is no evidence to show that the full bill was not correct. The company did not back the bill to 2015, took an estimate from 1 September 2017, and has charged the customer less than the usage shown by the evidence.
26. The company states that as the full balance was not cleared until April 2019, it reported three late payment markers for December 2018, January 2019 and February 2019. A Default Notice was issued on 22 February 2020, and as the balance was not cleared by 22 March 2019, a Default was registered on 23 March 2019.
27. The company correctly notified the customer of the arrears on his account and of its intention to file a Default Notice. The company has a legal duty to accurately report payment status of customer accounts. As payment was not made by the requested deadlines, the company was obliged to file late payment markers and a Default.
28. I acknowledge the customer's claim. The customer has explained his personal circumstances and the impact the Default has had on him, and I appreciate that he will be disappointed that I am not in a position to direct the redress requested. However, the evidence submitted to this adjudication does not show that the company failed to provide its services to the standard to be reasonably expected in respect of the late payment markers and the Default.
29. In view of above, the claim is unable to succeed.

Outcome

The company does not need to take any further action.

What happens next?

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- This adjudication decision is final and cannot be appealed or amended.
 - The customer must reply by 3 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.
 - 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)
Adjudicator

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