

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/2051

Date of Decision: 15 October 2020

Complaint

The customer has a dispute with the company regarding its refusal to issue a leak allowance or re-calculate bills previously issued. The customer asserts that her average quarterly bill over many preceding years was £744.00 prior to receiving a bill in January 2020 in the amount of £3,144.47. The customer claims that despite ongoing discussions with the company and the involvement of CCWater the dispute is unresolved and thus she has escalated his claim to the WATRS scheme whereby she seeks to have the company recalculate her January 2020 bill using the previous quarterly average of £744.00.

Response

The company states that it is not responsible for the granting of a leak allowance or for recalculating metered bills, as this responsibility rests with the water wholesaler. The company states it has taken all reasonable steps to have the wholesaler grant an allowance or recalculate the bills. The company has not made any offer of settlement to the customer, and is not able to agree to the customer's requests.

Findings

I am satisfied the company acted reasonably in its dealings with the customer, and that the company is not responsible for granting a leak allowance or bill recalculation. Overall, I find that the company has not failed to provide its services to a reasonable level nor has failed to manage the customer's account to the level to be reasonably expected by the average person.

Outcome

The company does not need to take further action.

The customer must reply by 12 November 2020 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/2051

Date of Decision: 15 October 2020

Party Details

Customer: Customer

Company: XWater

Case Outline

The customer's complaint is that:

- The customer says she has experienced an ongoing dispute with the company since the beginning of 2020 regarding problems with billing on her account. Despite the customer's regular communications with the company, and the involvement of CCWater and the water wholesaler, the dispute has not been settled.
- The customer states that she represents an organisation running a business at the property in question. The property is on a metered tariff.
- The customer states that since 2017 her average quarterly bill is £744.87.
- The customer states that the bill dated 07 January 2020 was in the amount of £3,144.47, covering the period between 24 September 2019 and 12 November 2019.
- The customer contends that she immediately contacted the company to seek an explanation for the apparent spike in consumption.
- The customer claims that following an exchange of communications with the company, the wholesaler, on 14 January 2020, removed the existing meter and installed a replacement. The customer further asserts that she received an additional bill in the amount of £798.42 covering the period from 12 November 2019 to 14 January 2020.

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- The customer records that the company advised her that the existing water meter had been tested after removal and was found to have been under-recording consumption. The customer questions how an under-recording meter could also over record and register a large spike in consumption.
- The customer states that no unusual or additional activities took place at the premises during the billing period. She also records that she had a plumber attend the premises and no leak or damaged pipes were identified.
- On 19 June 2020, the customer escalated her complaint to CCWater, who took up the complaint with the company on her behalf. The customer records that CCWater agreed that it was unusual for an under-recording meter to also record a spike in consumption, and consequently it implemented a formal investigation into the dispute.
- The customer acknowledges that CCWater subsequently informed her that it was satisfied that the original water meter had been independently tested and shown to be under-recording consumption. It further advised her that no explanation could be found for the spike in consumption and as such the company was entitled to charge for the usage recorded through the meter.
- The customer says that despite the intervention of CCWater, the dispute is ongoing and the company has not been able to have the wholesaler change its position and CCWater are unable to facilitate a resolution between the parties. The customer remains dissatisfied with the response of the company and consequently, on 13 August 2020, has referred the matter to the WATRS Scheme whereby she seeks to have the company re-issue her bills since the beginning of 2020 using her previous “usual” quarterly average of £744.00.

The company’s response is that:

- The company submitted its Response paper to the claim on 07 September 2020.
- The company confirms that it contacted the customer on 06 January 2020 to advise her of an unusually high read on her meter. Subsequently, the customer contacted it to seek further information.
- The company states that following a request from the customer it contacted the wholesaler to have it undertake a meter accuracy test. The company notes that on 17 January 2020 the wholesaler advised it that the original meter had been removed and sent for testing.

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- The company confirms that following receipt of information from the independent laboratory that tested the meter, it advised the customer that the meter was faulty inasmuch that it had been under-recording consumption.
- The company contends that the wholesaler advised that due to under-recording on the meter a leak allowance would not be granted. The company notes that the wholesaler stated that the customer's average daily usage (ADU) on the old meter was lower than that on the new meter, which confirms that the old meter was under-recording ADU. The wholesaler advised that the customer's ADU prior to June 2019 was 3.53M3, increasing to 9M3 before the meter change. It states that under the new meter the ADU has averaged 10.14M3.
- The company further contends that it has challenged the wholesaler on several occasions to change its position and grant an allowance, but without success.
- In summary, the company believes it has acted to take all possible measures to assist the customer, having approached the wholesaler on several occasions. The company states that it fulfilled its obligations to the customer as her water retailer but cannot compel the wholesaler to alter its position. The company has not proposed a settlement offer and declines to accede to the billing amendments requested by the customer in her WATRS application.

The customer's comments on the company's response are that:

- The customer has not submitted comments on the company's Response paper.

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 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 dispute relates to the customer's dissatisfaction that she has received a higher than average bill generated by a consumption spike. The customer states that despite ongoing discussions with the company it refuses to grant a leak allowance or a recalculation of the bill
2. I note that the WATRS adjudication scheme is an evidence-based process and it is for the customer to show that the company has not provided its services to the standard that would reasonably be expected of it.
3. I am aware that both the water retailer and water wholesaler are referred to in the claim submitted by the customer. The retailer is XWater Ltd and the wholesaler is Severn Trent Water. In this WATRS adjudication decision, XWater Ltd is defined as the "company".
4. I further find that it is useful at this point to set out the different responsibilities of retailers and wholesalers in respect of business customers. Simplistically, the wholesaler is responsible for the provision and maintenance of the water supply network and the retailer handles account management, billing, customer service etc. The wholesaler bills the retailer in bulk for the water consumed by its customers with the retailer subsequently billing the individual customer.
5. Following the opening of the business water market on 01 April 2017 the wholesaler is permitted to set the tariffs for water delivery and maintenance of the water supply network. This also means that the wholesaler sets out its other procedures such as leak allowances, refunds, bill adjustments, etc.
6. The retailer does not set tariffs nor grant rebates or allowances, and is obliged in its customer facing role to manage administrative dealings such as billing, meter reading, and providing customer services.
7. From the evidence submitted to me I am aware that the customer's property is classified as a business and thus she is a customer of the company and not the wholesaler. The customer receives her water supply from the wholesaler and usage is monitored by a meter on the supply pipe which is read by the company and the company issues a bill to the customer.

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8. The company contacted the customer in January 2020 to inform her of a spike in consumption identified at the latest meter reading. I can see that an exchange of communications ensued between the parties and that the customer questioned the accuracy of the latest meter reading. It seems to me that the customer requested the meter be tested after being informed of the procedure and the cost implications.
9. The company informed the wholesaler that a meter test was requested on its asset, and I am satisfied that the meter was replaced on 14 January 2020 and sent for independent testing.
10. I am supplied with a copy of the official test report which confirms that the meter was not functioning accurately, but was in fact under-recording consumption.
11. From meter readings supplied to me, I can see that prior to June 2019 the customer's ADU was between 3.0 and 3.5M3. As from June 2019 it increased to 9.73M3 in the November 2019 reading and 8.98M3 in the mid-January 2020 reading.
12. The figures supplied by CCWater show that under the old meter the customer's ADU was 2.74M3, and under the new meter it increases to 6.21M3.
13. I can see that the company has informed the customer that the wholesaler refuses to grant a leak allowance because the old meter was clearly under-recording when compared to the readings from the new meter. As such the wholesaler believes the under-recording was somewhere in the range of 13 to 24% and this has been a cost saving to the customer.
14. Additionally, I also note that the customer has confirmed that no water leaks have been identified at the premises.
15. The company also denies the customer's view that a meter that is purportedly under-recording cannot also record a spike in consumption. I am satisfied on balance that a meter proven to be under-recording may well have also under-recorded the spike in consumption.
16. As I have described above, the retailer does not grant rebates or leak allowances, and is obliged in its customer facing role to manage administrative dealings and providing customer services. Thus, in this role, it was incumbent on the company to liaise with the wholesaler on behalf of the customer.
17. From my examination of the submitted documents I am satisfied that the retailer has fulfilled its obligations to the customer to a reasonable level. Upon receiving her original complaint in January 2020, it referred the problem to the wholesaler and subsequently acted as a go-between for the customer and wholesaler. I can see from the documents that the company raised the allowance issue with the wholesaler on several occasions.

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18. In her application to the WATRS Scheme the customer has disputed liability for the higher than average bill and has requested that the company should recalculate the bills dated 07 and 15 January 2020 using the customer's estimated average of £744.00 per quarter.
19. The customer has stated that no leak has been identified at her property and I am satisfied that the meter was under-recording. Therefore, I find, on balance, that the water passing through the meter has been consumed by the customer and the bills issued by the company in January 2020 are not an error in its favour. I take note of the comments of CCWater where it states that the customer has underpaid for water consumed.
20. I am satisfied, on balance, that the company has acted reasonably on behalf of the customer in its dealings with the wholesaler and attempting to secure a leak allowance or account re-calculation. As the customer's complaint is against the company and not the wholesaler I am not able to direct that the customer receives either a leak allowance or bill re-calculation as she has requested.
21. My conclusion on the main issues is that the company has not failed to provide its services to a standard to be reasonably expected by the average person.

Outcome

The company does not need to take further action.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 12 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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Member, London Court of International Arbitration.
Member, CI Arb Business Arbitration Panel.
Member, CEDR Arbitration Panel.
Member, CEDR Adjudication Panel.

Adjudicator

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