

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-XX56

Date of Decision: 08/12/2020

Complaint

The customer raises concerns about the fact that the company has, since she moved into her property in December 1998, charged her on the basis of the Rateable Value (RV) of her property. She recently applied for a water meter and when the company decided that this could not be installed, it moved the customer to the Assessed Household Charge (AHC). Her bills are now significantly lower than when she was charged on an RV basis. As a result, she feels that the company has overcharged her since 1998. The customer asks for an order that the company calculate the amount that she would have paid if she had been billed on an AHC basis between December 1998 and March 2019, subtract this amount from what she actually paid, and refund the difference.

Response

The company contests the claim. It states that according to its Charges Scheme, it can only apply an AHC Single Occupier Tariff where a customer has applied for a meter and it has decided that the property cannot be metered. In this case, the customer first applied for a meter in March 2019, so the company was not able to charge the customer on an AHC basis before that date. The company also denies that it should have done more to bring to the customer's attention the advantages of applying for a water meter. This information was included in the bills and leaflets sent to the customer, and the company sent the customer a form to apply for a free meter on 5 January 1999, which was not returned by the customer.

Findings

I find that given that the customer had not applied for a meter prior to March 2019, the company was correct to charge her on an RV basis between December 1998 and March 2019. I also find that the steps that the company took to bring the advantages of applying for a water meter to the customer's attention were reasonable.



The company does not need to take any further action.

The customer must reply by 07/01/2021 to accept or reject this decision.

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-4156

Date of Decision: 08/12/2020

Party Details

Company: XWater

Case Outline

The customer's complaint is that:

1. The customer explains that she moved into her current property in December 1998. It is in a converted block consisting almost entirely of one-bedroom, single occupancy flats. She was charged for her water on the basis of the Rateable Value (RV) of her property, which she understands to be an out-of-date valuation of her property and also not related to the water she actually uses, or to the number of bedrooms or occupiers in the property. However, she recently applied for a water meter to be installed. When the company found that it was not possible to install a meter, it moved her to an Assessed Household Charge (AHC) on 13 March 2019. As a result, her water bills decreased from approximately £375 to approximately £212 per year. The customer therefore says that the company had previously overcharged her. She asked the company to refund the amount that it overcharged, but it refused, despite acknowledging the out-of-date nature of the RV charge and the fact that it does not reflect actual usage. The customer notes that the company has adjusted the billing of a number of other flats in her block to the AHC basis over the years. She therefore considers that the company should have been aware that the flats in the block were unmeterable. She points out that there are around 20 flats of the same size, converted at approximately the same time, so they are likely to have similar plumbing arrangements. She therefore does not accept the company's argument that it needs to consider every property individually. She says that the company should have been aware that there was a high likelihood (even if not a certainty) that all of the flats in her block were unmeterable. It should therefore have done more to raise awareness amongst the residents of the block concerning the advantages of switching to the AHC, and should have flagged up the substantial difference between the RV and AHC charges. In response to the company's argument that it had sent her an invitation to apply for a water meter on 5 January 1999, the customer says that she does not know why this application did not go ahead - she considers that it should have

done as it would have saved time and money. She also points out that the company on several occasions tried to call her on a landline which was inactive. She provided her mobile number to the company on the next occasion. She therefore does not consider that she is responsible for any delays in communication with the company. In response to the company's argument that the company sent her leaflets which set out the advantages of applying for a water meter, the customer says that the leaflets were not sufficiently clear, and in particular did not include concrete examples of the savings that could be made. As the owner of a small flat who already used water saving devices, she was not aware that her water bills were unusually high, or that more savings could be made. She also points out that most of the leaflets also did not specifically mention the AHC. It was only in April 2019 that she was shown the table of AHC rates, and at that point she realised that her bills were just a few pounds short of the AHC for a 4-bedroomed house. The customer asks for an order that the company calculate the amount that she would have paid if she had been billed on an AHC basis between December 1998 and March 2019, subtract this amount from what she actually paid, and refund the difference.

The company's response is that:

1. The company contests the customer's claim. It says that the ways in which it is entitled to charge are determined on the basis of the Water Industry Act 1991, the company's annual Charges Schemes, and guidance from Ofwat, the water regulator. As a result, the company can only apply an AHC Single Occupier Tariff when a customer has applied for a meter and the company has determined that the property cannot be metered. The company says that it first received a request from the customer for the installation of a water meter by telephone on 18 March 2019 and then by application on its website on 18 March 2019. The company called the customer several times to arrange a survey of her home, but it did not manage to reach her. In the end, the customer called the company and a survey was booked for 24 April 2019. Following the survey, the company concluded that it was not possible to fit a meter at the customer's property. The company therefore changed the customer's tariff from an RV tariff to an AHC Single Occupier Tariff. The company notes that it wrongly made the change with effect from 13 March 2019 rather than 24 April 2019, but as the error is in the customer's favour, the company has not modified the date. On 12 June 2019, the customer wrote to the company, saying that she was upset to discover that she had previously been overcharged for her water and asking for a refund. The company's customer contact manager, and then its senior case manager, wrote to the customer to say that the company's position was that there had been no overcharging as the company had been correct to charge the customer on an RV basis. The company explains that its policy is always to bill a customer on an RV basis until the customer applies for a water meter. Although the company acknowledges that the RV has not been

updated since 1990, the company confirms that this is the correct basis for charging unmetered properties, as it is supported by section 143 of the Water Industry Act 1991 and the company's Charges Scheme for 2020/21 (which is, in this respect, the same as the Charges Schemes for previous years). The Charges Scheme, and the water regulator Ofwat, also confirm that the company is only able to charge on an AHC basis if a customer applies for a water meter, and it turns out that the customer's property is unmeterable. The company argues that it has taken reasonable steps to inform the customer about the advantages of a water meter. On 5 January 1999 it sent the customer an application form for a free meter, but the customer did not respond. It also included information about the advantages of applying for a water meter on each of the customer's annual bills (except for the 2013/2014 bill) and the accompanying leaflets. The company says that it was not in a position to know whether or not the customer's property was unmeterable until it had carried out a survey of the individual property because every property's plumbing is different. It therefore denies that the layout of the customer's block and the fact that other properties in the block had been deemed to be unmeterable, meant that the company had an additional duty to inform the customer about the advantages of metering. The company therefore denies that there have been any customer service failings and denies that it was able to bill the customer on an AHC basis before the customer applied for a meter in 2019. It says that it has correctly followed its policy by billing the customer on an RV tariff until she applied for a water meter, and that it would be unfair to treat the customer differently from its other customers in this regard.

How is a WATRS decision reached?

In reaching my decision, I have considered two key issues. These are:

- Whether the company failed to provide its services to the customer to the standard to be reasonably expected by the average person.
- 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.

Customer: The Customer

How was this decision reached?

1. The customer's complaint concerns the basis on which she was billed by the company between December 1998 and March 2019. During that period, the company billed the customer on the basis of the RV of her property, despite the fact that it would have been cheaper to bill her on the basis of an AHC Single Occupier Tariff.

The company has the power to fix and recover charges for its services under section 142 of the Water Industry Act 1991. Under section 143 of the Act, it must draw up a Charges Scheme every year which sets out its framework and method of charging. This Charges Scheme must comply with the requirements set out by Ofwat, the water industry regulator.

The company's Charges Scheme 2018-2019, exhibited by the company, sets out the basis for its charges. I accept that these basic principles have not changed during the period covered by the customer's claim. In accordance with the guidance established by Ofwat, the scheme provides that the company can charge on three bases:

- Unmeasured charges, which are charged on the basis of the rateable value of the property, for properties that do not have a water meter;
- Measured charges, based on the water use recorded on a water meter, for properties at which a water meter has been installed; and
- Assessed charges, which are fixed tariffs that are applied to properties at which the company has attempted to install a meter but has been unable to do so. On p. 6, the Charges Scheme explains that "where a consumer has exercised a statutory right to elect for charging by reference to volume and XWater has determined that fitting a meter would either not be reasonably practicable or incur unreasonable expense, the amount payable for supplies to a house under this sub-clause 4(1) shall be the assessed household charge".

In this case, both parties agree that the customer did not in fact apply for a water meter prior to March 2019. In her response to the Preliminary Decision, the customer states that she either didn't receive the application form sent by the company in 1999 or didn't return it, and that the meter application "took a back seat" for her as she was struggling to get gas and electricity installed. While this is perfectly understandable, the result was that the customer did not in fact apply for a meter prior to 2019.

The customer argues, however, that the company should have done more to bring to her attention the advantages of applying for a water meter. In particular, she

says that the company should have known that her property was most likely unmeterable, given that several neighbouring properties, which are similar in layout and were converted at the same time, had been deemed to be unmeterable. The company should have told her that she could save a considerable amount of money under the AHC tariff. If it had done so, she would certainly have applied for a meter.

While I have sympathy with the fact that the customer has, since December 1998, been paying more for her water under the RV tariff than she would have done under the AHC tariff, I do not consider that the company's conduct in this regard was unreasonable. I note that the company's bills, together with the accompanying leaflets, did point out in general terms that the customer might be advantaged by applying for a water meter. The customer could have investigated further on the company's website if she had wished to do so.

The company could, of course, have alerted the customer to the fact that other flats in her block had been deemed to be unmeterable, and it could have stressed to her that it could be to her advantage in her particular circumstances to apply for a water meter. However, I note that given the number of customers that the company deals with, it cannot be expected to consider the metering situation of each property individually until it is asked to do so. This is particularly the case given that, as the company points out, it is difficult to tell whether an individual property is meterable or not before it is surveyed. Even if it is similar to a neighbouring property that is unmeterable, there may be differences in the plumbing of the two properties that mean that their metering situation is not the same. I therefore consider that it is reasonable for the company to adopt the approach of advising all of its customers in general terms about water metering, rather than providing the kind of individually tailored advice that the customer believes she should have received.

In her response to the Preliminary Decision, the customer says that rather than specifically tailored information, she would have expected to see, in the company's leaflets or in a notice posted in the communal areas of her building, further information about the average charges for water for a sole occupant/ one bed flat were, as well as concrete data on the AHC and on the advantages of having a meter.

While it is true that the company could have provided this information, I do not consider that it was required to do so. The information that it did provide to the customer was enough to put her on notice about the possibility of applying for a meter and the possibility that it could save her money. Once she had this information, she could have investigated further if she wanted to do so.

Given that the customer had not in fact applied for a meter prior to March 2019, in accordance with the Water Industry Act 1991, the company's Charges Scheme and Ofwat's guidance, the company was required to bill the customer on an RV basis between December 1998 and March 2019. It was not open to the company to bill the customer on an AHC basis, which is only used where the customer has applied for a meter and the company has decided that the property is unmeterable.

I therefore conclude that the company was correct to bill the customer on an RV basis, and to refuse to refund the customer the difference between the RV tariff and the AHC tariff for the period from December 1998 to March 2019.

The customer's claim therefore does not succeed.

Outcome

1. 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 within 20 working days to accept or reject this final 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.

Natasha Peter

Adjudicator