

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

**Adjudication Reference:** WAT-XX37

**Date of Decision:** 15/12/2020

#### Complaint

The customer claims that the company knowingly provided pressure lower than the regulatory standards for approximately 21 weeks between January 2018 and June 2018. This lower pressure led to issues with the washing facilities at the customer's property which in turn led to a loss of future business. The customer is seeking the company to pay £25,000.00 as the company's previous offer of £11,731.83 does not consider the impact the loss of pressure had on future earnings.

#### Response

The company admits that it provided pressure lower than the regulatory standards for approximately 21 weeks between January 2018 and June 2018. The low pressure was a result of a problem with the company's water main, which supplies the customer's property. A section of the water main needed to be replaced to resolve the issue. The company accepts that its work to replace its water main took longer than it should, and it offered a decreased service to the customer during this period. Whilst the company accepts that this could have had some impact on the customer's business, which is water-dependent, its offer of £11,731.38 fairly reflects the impact of any loss of business. The company has not made any further offers of settlement.

#### Findings

I am satisfied that the customer has proven that the company failed to provide its services to the standard to be reasonably expected by the average person concerning the low pressure and loss of profits experienced by the customer.

#### Outcome

The company shall pay the customer a sum of £11,731.38.

The customer must reply by 14/01/2021 to accept or reject this decision.



# ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-XX37

Date of Decision: 15/12/2020

## Party Details

**Company:** XWater

## Case Outline

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

1. • The company knowingly provided pressure lower than the regulatory standards for approximately 21 weeks between January 2018 and June 2018. • This lower pressure led to issues with the washing facilities at the customer's property which in turn led to a loss of future business. • The customer is seeking the company to pay £25,000.00 as the company's offer of £11,731.83 does not consider the impact the loss of pressure had on future earnings.

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

1. • It admits that it knowingly provided pressure lower than the regulatory standards for approximately 21 weeks between January 2018 and June 2018. • The low pressure was a result of a problem with the company's water main, which supplies the customer's property. The main needed to be replaced to resolve the issue. • The company accepts that its work to replace its water main took longer than it should and it offered a decreased service to the customer during this period. • Whilst the company accepts that this could have had some impact on the customer's business, which is water-dependent, its offer of £11,731.38 fairly reflects the impact of any loss of business.

## 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 dispute centres on whether the company failed to provide water to the customer's property at the required pressure, which then led to a direct loss of future earnings.
2. The company is required to meet the standards set out in the Water Industry Act 1991, and the effect of this is to place an obligation on a water and sewerage company to connect a customer's premises to the company mains water, maintain its pipework and to provide a supply of water.
3. The company is also required to provide a minimum level of water pressure of 0.7 bar of pressure as set out in the Water Supply and Sewerage Services (Customer Service Standards) Regulations 2008.
4. From the evidence put forward by the customer and the company, I understand that on 17 January 2018, the customer contacted the company to advise his commercial property had been experiencing low pressure for 2 to 3 weeks. On 18 January 2018, the company attended the property and found the pressure at the boundary to be 12 litres per minute, which the company says is below the regulatory standard.
5. On 24 January 2018, the company arranged to replace the communication pipe to the customer's property. However, it was found that this did not increase the customer's pressure. The company then undertook further investigations and found the pressure inside its water main to be less than required to provide the correct amount of pressure to the customer. Additional work was then arranged for 80 metres of the water main to be replaced.
6. I understand that due to the location of the water main, it then took the company some time to put together both a practical and cost-effective way of replacing the section of water main. The evidence shows that the water main replacement took approximately two weeks and was completed on 11 June 2018.

7. On 4 July 2018, the company sent a loss of business claim form to the customer. This form requested a weekly analysis of turnover for six weeks before the works had started, a weekly analysis of turnover during the works and similar analysis for the same period the previous year. This was so that the company could provide compensation for any loss of business whilst it had undertaken its works.

8. I understand that between July and October 2018, various discussions took place between the parties as to what documentation was required. The evidence shows that the company on receiving all the information from the customer, was unable to make an offer for any loss of business, as the information provided by the customer revealed that no losses were reported.

9. I understand that the company then in good faith looked again at compensating the customer on the basis that low pressure could have had an impact on a business that is water dependent. The result, based on further unevidenced information supplied by the customer, was that the company calculated a loss of business of £9,349.00.

10. The company also considered the additional costs incurred by the customer when trying to mitigate the low pressure. These included the cost of installing new showers and plumbing work which equated to £2,382.38.

11. The evidence shows that on the 8 January 2019, the company offered the customer the sum of £11,731.38, which was not accepted at the time. This sum included both the £9,349.00 and the additional costs of £2,382.38. I understand from the company's response that this offer still remains open for acceptance.

12. Between 11 March 2019 and 9 August 2019, various discussions took place between the parties and their representatives. The customer was of the view that a realistic loss of business was £104,400.00 on the basis that he had lost approximately 50 clients due to the disruption/lack of water pressure. The customer says that a child stays with his business on average four years to receive all their swimming badges and certificates and this would equate to £26,1000 per annum and therefore £104,400.00 for four years. The company disputed this figure as the customer's calculation does not include any costs associated with the provision of swimming lessons and therefore not a true reflection of future losses. The company also was of the view that it has received no evidence to show that the low pressure experienced between January 2019 and May 2018 was a direct cause of the customer being unable to recruit new clients.

13. The dispute could not be resolved, and the customer progressed the dispute to CCWater to resolve. However, the evidence shows that CCWater was unable to

resolve the dispute, with the final position being the company maintaining its offer of £11,731.38 as it would not agree to a claim for speculative future earnings. The customer remained unhappy with the company's final position, and on 12 October 2020 commenced the WATRS adjudication process.

14. As to whether the company should pay compensation for lost future earnings due to the reduced water pressure at the customer's property. The company admits that it knowingly provided pressure lower than the regulatory standards for approximately 21 weeks between January 2018 and June 2018 and that this was a result of a problem with the company's water main, which supplies the customer's property.

15. I also understand that the company accepts that its work to replace its water main took longer than it should and that it offered a decreased service to the customer during this period.

16. Considering the above, I find that the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning the low pressure experienced by the customer and the time taken to repair the water main.

17. I note that the company has offered the customer £11,731.38 on the basis that the low pressure up to June 2018 could have had an impact on a business that is water-dependent such as the customer's business.

18. The customer's position is that he had lost approximately 50 clients due to the disruption and lack of water pressure. Whilst I appreciate the customer's situation, after careful review of all the evidence I find that I cannot say with any certainty that the customer has lost future business due to the low pressure at his premises or by the works undertaken by the company. The customer has not provided any substantive evidence to support his position that a typical client stays with the company for four years or that he had lost approximately 50 clients due to the disruption and lack of water pressure.

19. The evidence put forward by the customer shows an increase in revenue for the period between April 2018 and June 2018, when he was experiencing low pressure, compared with income for the same period the previous year. I understand that the customer says that the increase in revenue was due to an increase in other services which the business offers; however, I cannot find evidence to support this within the documentation provided. Considering the above, I find that the offer by the company of £11,731.38 is reasonable considering the circumstances and the failings of the company. Therefore, I direct the company to pay the customer the sum of £11,731.38 concerning the low pressure and loss of

profits experienced by the customer.

20. The company has certain obligations in respect of its customer services. From the evidence provided, I am satisfied that by the end of the company's dialogue with the customer, the company had adequately explained the reasons behind why it would not pay compensation for future loss of earnings. Considering this, I find no sums are due for any failings in customer service.

21. The customer has submitted comments on the Proposed Decision. However, I find this has not raised any matters which affect my decision and so those comments will not be specifically addressed.

22. Considering the above, I find the customer has proven that the company failed to provide its services to the standard to be reasonably expected by the average person concerning the low pressure and loss of profits experienced by the customer.

### Outcome

1. The company shall pay the customer the sum of £11,731.38.

### 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.

- If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date in 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.

**Mark Ledger**  
**Adjudicator**