

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

**Adjudication Reference:** WAT-XX17

**Date of Decision:** 22/12/2020

#### Complaint

The customer complains that the company has failed to read the water meter for a three year period such that she then was charged £5,707.16 in January 2020 in respect of water and sewerage charges. She asks for this sum to be waived in full.

#### Response

The company says that it does not contest the customer's claim except in respect of the amount that should be credited to the customer's account. It agrees that it has incorrectly charged the full amount in the last 6 months whereas it should have applied the increases over time and waived all but the last 16 months. It also has given £140.00 credits and is willing to make further goodwill gestures of £200.00. The company is also willing to agree a 24 month payment plan.

#### Findings

I find that the company was legally obliged to have a water reading on an annual basis and this should have been carried out by the company at least once every two years. As the company agrees, this has not happened and the company has not supplied its services to the required standard. The company has now recalculated and given or offered credits for service failures totalling £340.00 and further offers a repayment plan for an extended period. I find that this is fair and reasonable.

#### Outcome

The company must:

1. reduce its claim in respect of the balance carried forward in the bill issued to the customer in January 2020, such that the customer's liability under that part of the bill is £2,945.89; and
2. agree a 24 month repayment plan with the customer in respect of that sum.

The customer must reply by 21/01/2021 to accept or reject this decision.

# ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-XX17

Date of Decision: 22/12/2020

## Party Details

**Company:** XWater

## Case Outline

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

1. • She unexpectedly received a bill of over £5,000.00 in January 2020. • She says that she installed a water meter in 2016 when she was a customer of United Utilities, but that it has not been read by the company for at least three years. She says that if she had been aware of the extent to her water usage, she could have reduced this and not incurred this liability. • When she complained, the company offered £20.00 x 4 by way of goodwill payment for four years. The customer says that this was an insufficient contribution to the debt. • Within the WATRS process, the company has admitted responsibility and made an offer (below). The customer rejects this because:
  - o The amounts she has already paid are £668.87 (made up of £444.37 payment + £224.50 credit note from United Utilities), £702.07 and £495.60, totalling £1866.54.
  - o Between 4 April 2017 and 7 January 2020, the average usage was 61.6m<sup>3</sup> per month (2.04m<sup>3</sup> per day).
  - o Between 7 January 2020 and 3 October 2020, the average usage has been 9.88m<sup>3</sup> per month (0.33m<sup>3</sup> per day). This means that the customer has reduced its water usage by over 80%. This equates to approximately a £720 per year cost for water usage using this figure of 0.33m<sup>3</sup> per day water use. If the customer had been sent accurate invoices from the beginning, she would have been able to reduce her usage to this. OFWATs Customer Code of Practice states that retailers must issue at least one accurate bill or invoice each year. It is not her fault that the company has breached this.
  - o The customer says that she is also confused by the reference to OFWAT's back billing policy of 16 months. The customer tried to find out about the back billing policy and was told by CCWater that it may be 22 months and that retailers cannot pursue customers for any usage prior to that time. If so, then the company's calculation is wrong.
  - o The company's offer of a final balance of £2,945.89, plus the amount the customer has already paid of £1,866.54 means the cost of water for three years will be £4,812.43. This is double the amount the customer should have paid, had there not been a complete service failure.
  - o The

customer says that a complete write-off of the invoice would be more appropriate considering the stress this has caused.

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

1. • The company has agreed that it should have carried out meter readings. • The company accepts that there had been a meter exchange in September 2016, but between September 2016 and September 2019 the meter had not been read. This error was identified and rectified in August 2019 and the company agrees that this caused a high invoice because, although the water may have been used over a period of time, when the account was billed on 16 January 2020 an invoice was produced for the period 1 July 2019 to 1 January 2020 for £5707.16. All the usage was applied for this six-month period. • The company has made a settlement offer as part of the WATRS process. It says that the customer had explained to the company in January 2020 that she had received a high invoice of £5707.16 dated 16 January 2020. • The company has re-billed the account. In line with OFWAT's back billing policy of 16 months, all charges between 1 April 2016 and 1 June 2018 totalling £664.28 have been removed from the customer's account. • The balance is £3,145.89, In addition, the customer has already had gestures of goodwill totalling £140.00 applied to her account for the following reasons: o £60.00 for not reading the meter for 3 years o £20.00 for an admin error o £20.00 for stress and inconvenience caused o £20.00 for the meter not being read o £20.00 for notification of large invoice • As a further gesture of goodwill, the company offers as full and final settlement of this matter £20.00 for each month that this matter has been ongoing, namely for 10 months. This is an additional £200.00. • If the customer were to accept this offer, her rebilled liability as at January 2020 would be £2,945.89.

### **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. I bear in mind that adjudication is an evidence-based process and that it is for the customer to show that the company has not provided its services to the expected standard. In this case, the company agrees that it has not provided its services to the correct standard and, as the company is required by law to base its bills on meter readings taken either by the customer or by the company, and has not done so for a period of three years, I also find that the company has not supplied its services to the correct standard.
2. The question is as to the redress that should be provided. The company says it has now approached this issue by rebilling for water and sewerage charges using Ofwat's guidance on back-billing as well as offering certain payments by way of compensation for poor service standards. I find, however, that this approach does not address the point that the customer makes, which is that, had she known that the bills were likely to have been so much, she could have reduced her water usage, and therefore she would have owed the company less.
3. I find that the outcome in this case requires a balance between the fact that the customer has used the water that has been supplied and that the regular accurate billing based on meter readings is needed so that customers know and understand their liabilities and payments are kept up to date.
4. As for the use of water, there is no evidence of a leak or other explanation of the usage of water, save that the customer did not know how much this would cost. The customer has not denied that she has used the water in question and nor has she challenged the accuracy of the company's calculation of the back-billing, having reduced the period for which back-billing has been done to a period of 16 months. If as the customer suggests, the correct period for permissible back-billing was 22 months, this error was in her favour.
5. I further find that the waiver of the unbilled charges over 16 months old is a way of managing the unfairness that might otherwise arise because a customer was unaware of the amount of the bill. I do not find that this is an unfair or inappropriate way of addressing the problem that has arisen. In reaching this conclusion, I also take into account that it would at all times have been open to the customer to have checked her bills and to have confirmed whether the estimated readings shown in the company's bills tallied with the meter readings.

6. In light of the matters referred to above, I find that the company's offer to the customer, including the goodwill payments that take into account proportionate sums for distress and inconvenience, is fair and reasonable, and that the company should be required to reduce its claim in respect of the back-payment under the bill issued to the customer in January 2020, such that the customer's liability under that bill is £2,945.89. I further find that it is fair and reasonable that the company shall agree a 24 month repayment plan with the customer,

7. If in fact the customer has already made payments as against the sum carried forward in the bill of January 2020, these must, for the avoidance of doubt, be taken into account by the company, but I have seen no supporting evidence for this and I do not make any findings that the customer has paid anything off this bill so far.

### Outcome

1. The company must:
  1. reduce its claim in respect of the bill issued to the customer in January 2020, such that the customer's liability under that bill is £2,945.89; and
  2. agree a 24 month repayment plan with the customer.

### 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.

**Claire Andrews**  
**Adjudicator**