

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT 4112

Date of Decision: 17 November 2020

#### Complaint

The customer is unhappy with the amount being charged by the company. He is a low water user on a low user tariff which is being phased out. His payments have increased and he is now paying only £10.00 a year less than he would on a standard tariff.

The company advised the customer he could receive a discount by purchasing a water butt. He then found this was only a general saving on usage. The customer believes he was given incorrect advice.

The customer is unhappy with the customer service provided by the company. He wants the company to reimburse the cost of the water butt and seeks an additional goodwill gesture payment.

#### Defence

The customer is on a low user tariff. In 2015 the company notified customers it was phasing out this tariff over a period of time. The low user tariff will end next year. It says the customer is being correctly charged for his water bills. He is currently saving £10.88 per year compared to the standard tariff.

The company acknowledges the advice given concerning water butt savings was not clear and has offered to reimburse the customer the cost of the water butt. It has also made a goodwill gesture payment of £20.00 to the customer.

#### Findings

The company introduced plans to phase out its low user tariff over a number of years starting in 2015. This resulted in the customer's charges increasing from 2015 to the present day. The company is entitled to set charges and to make changes to its charging schemes under the Water Industry Act 1991.

Initial information provided to the customer concerning the water butt was not accurate or clear. This was subsequently corrected by the company.

Apart from the incorrect advice given to the customer concerning potential savings with a water butt, the customer has not shown any failure on the part of the company to meet the standards to be reasonably expected.

The company has paid the customer a goodwill gesture of £20.00. It has also offered to reimburse the customer the cost of the water butt on receipt of proof of purchase.

#### Outcome

The company does not need to take any further action.

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The customer must reply by 15 December 2020 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

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Date of Decision: 17 November 2020

## Party Details

**Customer:** The Customer

**Company:** The Company

## Case Outline

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

- He is unhappy with the amount being charged by the company as he is a low water user. He is on the company's low water user tariff but says this is being phased out next year.
- He says he is unhappy that he is paying more than he was before as a low water user. Currently he pays £10.00 less than the standard rate. He believes he may be subsidising higher rate users.
- He says that the company had told him he could receive a discount if he purchased a water butt. He says that he bought one but then found any saving was only a general saving. The company advised that to qualify for a full saving none of the surface water from his home could drain to their sewers. The customer believes he was given inaccurate advice regarding the purchase of a water butt.
- The customer is unhappy with the customer service he has received.
- He seeks a further goodwill gesture from the company.
- He seeks reimbursement of the cost of the water butt purchased.
- The customer has made some comments on my preliminary decision. These are dealt with later in this decision.

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

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- The customer is currently charged according to a tariff for customers with low water consumption. This tariff is being phased out and will end completely next year. The customer has been provided with a link to the company's social tariff.
- The company says the customer is currently saving £10.88 a year through its low user tariff. The company says that it believes the customer has been correctly charged.
- The company acknowledges that the advice it gave concerning the water butt was not clear. It says it will reimburse the customer the cost of the water butt if the customer provides proof of purchase.
- It has reviewed the customer service provided and has paid the customer £20.00 as a goodwill gesture.

### How is a WATRS decision reached?

In arriving at my decision, I have considered two key issues:

1. Whether the company failed to provide services to the customer according to legislation and to standards reasonably expected by an average person.
2. Whether or not the customer has suffered any financial loss or other disadvantage as a result of a failing of the company.

In order for the customer's claim against the company to succeed, the evidence available to the adjudicator must show on the balance of probabilities that the company has failed to provide its services to the standard one would reasonably expect and 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 I have not considered it in reaching my decision.

### How was this decision reached?

1. The customer says that he is not happy with the amounts he is being charged by the company as he is a very low water user. He says that he is paying more than he did before as a low water user and is currently paying about £10.00 per year less than he would on the standard tariff. He says that he believes he is subsidising higher rate customers who use more water.

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2. The company says it is the appointed sewerage undertaker for the customer's area. The water supplier is a different undertaker and provides the company with all billing details. The company has explained that it introduced a low user tariff in the 1997/1998 period. It has also explained the charging structure for the low user tariff. There were no fixed charges initially, only a charge for consumption. The charges per cubic metre of consumption were higher than under the standard tariff. The tariff structure allowed customers using less than 75 cubic metres of water per year to pay less than they would on a standard tariff.
3. On 1 April 2015, the company announced that it would be phasing out the low user tariff. The tariff would no longer be available for new customers. Existing customers would continue on the tariff for a period of time but charges would increase each year. The company has provided a copy of a letter it says was issued to customers in early 2015. That letter confirms that the tariff would be phased out over three years, moving customers to its standard tariff. A subsequent letter advised the phasing out period would be extended. The tariff details provided show that from 2015/2016, standing charges were introduced and volumetric charges reduced. Changes were introduced as part of the phasing out of the low user tariff. Each year standing charges increased volumetric charges reduced. The net effect was to gradually increase the overall charges.
4. The Water Industry Act 1991 (the "Act") requires water and sewerage companies to fix charges for the provision of services. It also allows companies to publish charges schemes which remain in effect for 12 months. Charges schemes are also to incorporate provisions for customers who may have difficulty with payments. Charges schemes are also required to be approved by OFWAT before taking effect.
5. Under Rule 3.5 of the WATRS Rules, a WATRS adjudicator does not have authority to evaluate the fairness of contract terms and/or commercial practices operated by a water supply company. Charging schemes set by the company are commercial practices and part of the company's contract terms. I am therefore unable to conduct any evaluation of the fairness of those terms. This includes tariff plans and the level of charges under each tariff. I am only able to consider whether or not the company has correctly applied its charging scheme to the customer's situation.

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6. The company has confirmed its intention to end its low user tariff. It says that it began to phase out the tariff from April 2015, with the intention to end the tariff completely after three years. This has been extended and the tariff will now end in 2021/2022. The company is entitled to change its tariff structure under the Act. The company says that it offers a social tariff but the customer does not qualify for that tariff at the present time.
7. I appreciate that the customer may be unhappy with the increase in charges compared to previous years. I can see that the trend since 2015 shows bill amounts have increased each year. His payments are now almost the same as they would be under the standard tariff. This is in line with the explanation in the letter the company says was issued in 2015. The records provided indicate his consumption has been consistent over the years. It is apparent the increase in cost is due to the gradual phasing out of the low user tariff since 2015.
8. The company has made changes to its charging structure which it is permitted to do. It has also advised the customer of its social tariff scheme. The criteria for acceptance on to its social tariff scheme are a matter of company policy. These are not matters that can be the subject of a WATRS adjudication and I therefore make no determination on these issues.
9. The customer has also complained about the advice he was given by the company in relation to the use of a water butt.
10. On or around 12 June 2020, the customer called the company. The customer says that during the call the company's agent said that he could save between £9.00 and £13.00 per year by having a water butt. The customer's email to the company sent 15 June 2020 refers to the call. The customer requested details of the water butt scheme in the email. He refers to a discount being offered from £9.00 to £13.00. He also notes that the company was to send some information by post but that he had not received it. The company responded by email on 18 June 2020. It advised the customer that it did not offer a discount for water butts. It advised the customer that he would be eligible for a surface water drainage discount if no surface water from his property entered its drains. The company provided a link to its website for more information. The website shows an example where all surface water runs to a soakaway on a property and there is no connection to the company's drainage system. It also notes that water butts do not qualify for a reduction in charges as they only hold a fixed amount of water. The company says that it had sent the customer a surface water drainage form should the customer

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wish to apply for a reduction. The company notes that to be eligible it would need to be established that the property was not connected to the public sewer for surface water drainage.

11. The company says that the call on 12 June 2020 related to the company's social tariff scheme. It notes that its agent discussed surface water drainage and water butts with the customer. No copy of the call recording has been provided with the evidence. However, the company acknowledges in its response that information given by its agent was unclear. It also acknowledges that its agent advised the customer that he may be entitled to a reduction if he purchased a water butt. The company does note that the agent advised he would clarify the position.
12. On the balance of probabilities, I find that the company did provide advice that was not clear in relation to potential savings by using a water butt. I note that the company acknowledges this.
13. The customer requests that the company are directed to refund the cost of the water butt. The company has confirmed that it will refund the cost of the water butt. It asks the customer to provide proof of purchase that shows he purchased the water butt following the call with its adviser and before it sent its letter clarifying the position. I consider the company's offer to be reasonable and therefore make no direction.
14. The customer is also unhappy with the customer service he has received. I have considered the company's performance in relation to the Guaranteed Standards Scheme (GSS). The GSS sets out the minimum standards of service customers are entitled to expect from water or sewerage undertakers. Under the GSS, a company is required to respond to written complaints from customers within ten working days. Where a company fails to provide a substantive reply to a customer's written complaint within the required period, the company must make an automatic payment to the customer.
15. I have reviewed the communications between the customer and the company. I have found no instances where a response to a complaint has not been replied to within the required timescales. I find no failures on the part of the company under the GSS.
16. The company has apologised for a lack of clarity in the information provided to the customer. It has paid the customer £20.00 as a goodwill gesture. This company has also offered to reimburse the customer the cost of the water butt on production of proof of purchase.

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17. I note that in his comments on the company's response, the customer refers to the incorrect calculations for the flushing allowance. I have seen reference to this in the documents provided. However, this was not a matter mentioned in the customer's application or required actions and has not featured in the company's response. As it is not within the complaint on the application I have not addressed this issue. I note, however, that the company had corrected the error and adjusted the customer's charges accordingly.
18. With the exception of the advice given to the customer concerning the water butt, I am satisfied the company performance is in line with the expected standards and legislation. I am satisfied that the company has made an appropriate payment to the customer for the incorrect advice provided. I make no further award for failure to meet the expected standards.
19. The customer has made some comments on my preliminary decision. I have addressed these points below.
20. The customer has made further reference to the flushing allowance. I have already explained that although this was referred to in the documents, it was not mentioned in the application or required actions. It was also noted that the company had corrected the error. The customer also refers to reimbursement of the cost of the water butt but indicates he cannot provide proof of purchase due to the time that has elapsed. It is reasonable to expect that the company would want to see proof of purchase in order to process the payment.
21. After consideration of the comments made by the customer, I make no changes to my decision.

#### **Outcome**

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 by 15 December 2020 to accept or reject this decision.

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- 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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**Signed**

**Name**

Ian Raine (BSc CEng MIMechE FCI Arb MCIBSE)

**Adjudicator**

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