WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-XX23

Date of Decision: 15/11/2020

Complaint

The customer purchased his property in December 2017 and, in March 2018, his wife telephoned the company to say that the property, previously classed as mixed-use, was used for domestic purposes only. She asked for their account to be moved to but the company said that it could continue to supply the property, it was cheaper than, and it would not bill for VAT or any additional charges. The customer was persuaded to stay with the company and the VAT charges were removed from his account; however, in August 2019, the customer received a bill for surface water and highway drainage. The customer queried the bill and was told that his previous charges were incorrect and that his property was still classed as mixed-use. The customer provided the company with documents to prove that his property was not mixed use, but the company refused to backdate the classification of his property to domestic. The customer's account is now with but he disputes the company's charges for surface water and highway drainage and he wants a refund. The customer also states that the meter readings the company took were inconsistent.

Response

The customer's property could not be transferred from the commercial market to the domestic market any sooner as the council tax valuation database showed that the property was mixed-use until November 2019. The company does not supply services to household customers so it disputes that it told the customer's wife it could, and the company also denies telling the customer's wife that commercial charges are cheaper than domestic charges. In any event, as it removed £85.83 from the customer's account as a gesture of goodwill, the customer has been charged less than he would have been charged for a domestic supply. The company has provided accurate and regular meter reads, in line with the requirements of Ofwat, the industry regulator. The company is sorry

for the stress and inconvenience this matter has caused the customer, but it denies liability to repay any charges to the customer.

The company has not made a settlement offer.

Findings

Having reviewed the evidence provided by the parties, I accept that the customer's account could not be transferred to the domestic market until it was registered as domestic on both the Valuation Office Agency for Businesses database and the Council Tax Valuation database, and that the customer was given this advice on several occasions. The Council Tax Valuation database was not amended to show the property as domestic until November 2019 and the company transferred the customer's account to the domestic market shortly afterwards. The evidence shows that the delay in registering the property as domestic did not cause the customer a financial loss. I do not find that the company breached its contract with the customer and find that the company was entitled to charge the customer for surface water and highway drainage. The evidence shows that, although there was a slight billing error that led the customer to believe two actual but different meter readings had been taken on the same day, the customer has been billed correctly. In view of the above, the company has not failed to provide its services to the standard reasonably expected by the average customer and, therefore, the customer's claim cannot succeed.

Outcom

The company does not need to take any further action.

The customer must reply by 14/12/2020 to accept or reject this decision.

ADJUDICATOR'S DECISION

Adjudication Reference: WAT-XX23

Date of Decision: 15/11/2020

Party Details

Company:

Case Outline

The customer's complaint is that:

1. • He purchased his property in December 2017, but did not move in until August 2018. He contacted his local council because the property was no longer a mixed use property; he received a reply in April 2018 confirming that the property had been listed as a domestic property only. • In March 2018, he received a bill from the company so his wife telephoned to say that the property was non-commercial and she asked for their account to be moved to. The company told his wife that it provides water services to household customers and that it charges less than. The company also said that it did not charge VAT or any additional charges. He compared the rate offered by the company with the rate offered by and decided to stay with the company as it was cheaper. The company then removed the business VAT and additional charges from his bill.

   • The company did not tell his wife that the property was still listed as mixed use on the council tax valuation records or that they needed to contact the Valuation Office Agency to update the information on the property before they could transfer the account to domestic. If the company had done so, he would have taken action without delay. • In August 2019, he received another bill demanding an additional payment of £211.88 for surface water and highway drainage. He queried the bill and was told that his previous bills were incorrect and his property was still classed as mixed-use. He questions why the company did not inform him that his bills were incorrect earlier. • He gave the company a copy of the document he had received from the council in April 2018 and his council tax bill; both documents clearly state that his property is registered as domestic. He also advised the company that the Valuation Office Agency website had been amended to show his property was domestic; however, the company has refused to backdate the classification of his property to domestic further than August 2019. • He also complains that the company's meter readings were inconsistent and that the company has failed to explain why there were two different actual meter readings taken on 8 October

2019. • He believes that the company has breached its contract as it promised his wife a cheaper rate but did not provide one, and that the company should not have charged for surface water and highway drainage as it promised he would pay no extra charges; therefore, he disputes the amount the company charged him and he wants a refund. • He says the problems with the company have had a huge impact on his family, especially his wife who has suffered from insomnia, has become wary of strangers and now finds it hard to believe what people say.

The company's response is that:

1. • In line with the wholesaler's policy, a supply can only be classed and charged as domestic if the property records show it is domestic. It performs two checks to establish the property status before it can request the wholesaler to transfer an account from mixed-use to domestic; first it checks the Valuation Office Agency for Businesses database to make sure that the property is not listed as a business
premises, then it checks the Council Tax Valuation database to make sure the property is not listed as 'mixed-use' with the local council. Once it is satisfied that a property is domestic, it asks the wholesaler to transfer the account and the wholesaler repeats these checks. • On 14 March 2018, the customer's wife telephoned to say that her husband became responsible for the water charges at the property on 21 December 2017. No meter read was provided so an account was opened based on an estimated read. • On 24 April 2018, the customer telephoned to advise that the property had changed from mixed use to fully domestic. However, when it checked the government's records for the property, it found that although it was not listed on the Valuation Office Agency for Businesses, the property was listed on the council tax records as mixed-use. The customer was told that the council tax records must be updated to reflect the change in status before the supply could be classed as domestic. • On 25 April 2018, the customer called again and said that the property was domestic. It checked the council tax records for a second time and told the customer that the property was still classed as mixed-use; the customer was told to contact his local council and have the records updated. It then removed the VAT charges from the customer's account and sent a new bill, in line with the customer's request. • On 5 August 2019, it realised that the customer was not being charged surface water and drainage charges. In line with the wholesaler's commercial market charges, the surface water drainage charges were added to the customer's account and a letter was sent to the customer to explain why. The account was re-billed to include the drainage charges. • On 5 August 2019, the customer disputed the drainage charges and the fact that his supply was still classed as non-domestic. On 4 September 2019, it responded to the customer and explained the drainage charges and that the council tax records still showed the property as mixed use. Again, the customer was advised to contact his local council and have the public records amended. • The customer continued to dispute the charges, but the council tax

records did not show the property as fully domestic until November 2019. • It requested the wholesaler to remove the supply from the commercial market on 8 November 2019, following confirmation that all government records were in order. The wholesaler accepted the transfer with effect from 8 November 2019. The customer's account was closed with a final outstanding balance of £85.83 and the completion of the transfer was confirmed on 16 November 2019. The outstanding balance of £85.83 was later removed as a gesture of goodwill. • The customer challenges the charges applied to his account before 8 November 2019 and the fact that the transfer was not backdated. However, it has explained to the customer on multiple occasions that the transfer could not have taken place sooner as the government records for his property were not updated in order to allow the supply to be classed as domestic, in line with the wholesaler's policy. • The customer has provided a copy of an email exchange with his local council to prove that the property had been taken off the listings for national non-domestic rates by the Valuation Office Agency for Businesses. However, the email exchange does not address the fact that the Council Tax Valuation database shows that the property was classed as mixed-use until November 2019. • The customer states that his wife was told that it provides services to household customers and was offered a cheaper rate. It disputes this as it does not provide, and has never provided, services to household customers; the domestic water market is a closed sector and household customers do not have the option to choose their retailer. • In any event, while the commercial rates per cubic meter of water and sewerage are generally cheaper than the domestic rates and the commercial market does not have a standing charge against wastewater services, other services, such as water standing charges and surface water drainage charges, have a higher unit price. • In the document called 'Comparison of charges- Domestic to Commercial', it has provided a side-by-side comparison of what it charged the customer and what he would have been charged if he was a domestic customer with. The period of comparison is 24 April 2018, the first time the customer stated the supply was domestic, to 8 November 2019, the date when the supply was removed from the commercial market and the customer's account was closed. • The comparison shows that over a period of 563 days, the difference between the commercial charges and the domestic charges was £65.24. It removed the outstanding balance of £85.83 from the customer's account as a gesture of goodwill, so this settled any difference in charges between the commercial and the domestic charges. The overall amount that the customer paid while the supply was still classed as commercial was less than what he would have paid as a domestic customer with. Therefore, the customer has suffered no financial loss. • It disputes the customer's belief that it breached its contract; the customer was charged for a non-domestic supply until the property was eligible to be transferred to the domestic market and he was charged the correct rates for the services he

received. • It disputes that it has provided inconsistent meter reads. In line with the metering regulations imposed by OFWAT, the industry regulator, it is obligated to read meters at least once every twelve months. The customer's meter was read four times over a period of 687 days, which is well within the legal requirements. Also, all meter reads obtained fall in line with each other and in line with the reads confirmed by the customer. The account has been re-billed twice, on 5 August 2019 and 15 October 2019, in order to correct estimated reads. • With the exception of one email received on 5 August 2019, all correspondence received from the customer has been responded to within ten working days and the information provided to the customer has been correct and complete. • For the failure to response within ten working days to the email on 5 August 2019, a GSS payment of £20.00 was added to the customer's account on 3 September 2020. • It is sincerely sorry for the stress and inconvenience that this matter caused the customer but, in view of the above, it disagrees it should repay any charges.

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:

How was this decision reached?

1. 1. Having reviewed the evidence provided by the parties, I accept that the customer's account could not be transferred to the domestic market until it was registered as domestic on both the Valuation Office Agency for Businesses database and the Council Tax Valuation database. The evidence shows that the Council Tax Valuation database was not amended to show the property as

domestic until November 2019 and the company transferred the customer's account to on 8 November 2019. In view of this, I do not find that the company failed to provide its services to the standard reasonably expected by the average customer in relation to this.

2. The customer states that the company did not advise him or his wife that his account could not be transferred to the domestic market until the property was registered as domestic on the Valuation Office Agency for Businesses database and the Council Tax Valuation database. However, having reviewed the timeline provided by the company, I find that on 24 April 2018 the customer was told that the property was recorded as mixed-use on the council tax website and that it could not be transferred to a domestic supply until this was changed. I note that this advice was repeated on several occasions and, on balance, I find no failing on the company's behalf in this respect.

3. The customer suggests that he has been charged more than he would have been charged had the company accepted that his property was domestic before November 2019. Having reviewed the price comparison information provided by the company, and the account statement which confirms that the company removed £85.83 of charges from the customer's account as a gesture of goodwill, I accept that the customer has paid less from 24 April 2018, the date the customer first advised the company that the property was domestic, to 8 November 2019, the date the customer's account was transferred to, than he would have paid had his property been classed as domestic during that period. Therefore, I accept that the delay in transferring the account from the commercial market to the domestic market, caused by the fact the council tax database was not amended, did not cause the customer a financial loss.

4. The customer states that the company breached its contract because it told him it could supply domestic customers and promised him a cheaper rate, without VAT and additional charges. However, the evidence does not allow me to conclude that the company said it could supply the customer's domestic property or provide a cheaper rate than. On balance, while I appreciate that this is not the outcome the customer hoped for, I find that the company was entitled to re-bill the customer to charge him for surface water and highway drainage, in accordance with its statutory entitlement to charge for its services.

5. The customer complains that the company took two different actual readings on 8 October 2019 and that he had just paid one bill when another bill arrived. Having reviewed the meter data and the statement of account provided by the company, and the bills provided by the customer, I find that the first bill stated that the reading was an actual reading but it was actually an estimate. Therefore, I understand why the customer believed two actual readings were taken and he was billed twice but,

on balance, I am satisfied that one bill was issued after the reading was estimated and the second bill was issued in order to correct the estimate, after the meter was read. However, having reviewed the customer's account statement, I accept that the customer was correctly charged. In view of this, while I find that there was a slight billing error, I do not find that that this amounts to a failing on the company's behalf.

6. I have not found that the company failed to provide its services to the standard reasonably expected by the average customer and, therefore, I do not find that the company should reimburse the customer in any amount. I understand that the customer will be disappointed by my decision, but the customer's claim does not succeed.

7. In the customer's comments on the preliminary decision, he explains how much stress and anxiety this issue caused his family, especially his wife. While I fully accept the customer's submissions, the customer has not claimed compensation for stress and inconvenience. As I only have jurisdiction to consider the claims made by the customer, I have not assessed the emotional impact of the complaint on the customer and his family because such matters are irrelevant to the claims made. However, for clarity I state that, even if a claim for compensation for stress and inconvenience had been made, as I find no failings on the company's behalf, the company could not be held responsible for any stress or anxiety the complaint caused.

8. For completeness, I add that I understand the customer's frustrations about being unable to prove exactly what was said during telephone conversations with the company. However, as an adjudicator, my role is to review the evidence that has been provided by the parties and decide what that evidence shows on a balance of probabilities, and this is what I have done in reaching my decision in this case.

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.

Nik Carle

Adjudicator