

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X124

Date of Decision: 03/03/2021

#### Party Details

Customer:

Company:

#### Complaint

The customer has a dispute with the company about the amount of a leak allowance granted to him. The customer believes the allowance should have been granted for a longer period. The customer asks the company to have the water wholesaler extend the period of the allowance.

#### Response

The company states that it is not responsible for the granting of a leak allowance as this responsibility rests with the water wholesaler. The company states it has taken all reasonable steps to have the wholesaler grant an allowance. The company has not made any offer of settlement to the customer, but is prepared to offer an extended period for paying the balance outstanding on the customer's account. It is not able to agree to the customer's request to compel the wholesaler to extend the leak allowance.

#### Findings

I am satisfied the company acted reasonably in its dealings with the customer, and that the company is not responsible for granting a leak allowance. Overall, I find that the company has not failed to provide its services to a reasonable level nor has failed to manage the customer's account to the level to be reasonably expected by the average person in trying to persuade the wholesaler to extend the leak allowance period.

#### Outcome

The company does not need to take further action.

The customer must reply by 31/03/2021 to accept or reject this decision.



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## Case Outline

### **How is a WATRS decision reached?**

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

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- 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.

### How was this decision reached?

1. The dispute relates to the customer's dissatisfaction that he has been granted a leak allowance lower than he believes is fair and reasonable. The customer states that despite ongoing discussions with the company it refuses to grant an increased leak allowance.
2. I note that the WATRS adjudication scheme is an evidence-based process and it is for the customer to show that the company has not provided its services to the standard that would reasonably be expected of it.
3. I am aware that both the water retailer and water wholesaler are referred to in the claim submitted by the customer. The retailer is REMOVED and the

wholesaler is REMOVED. In this WATRS adjudication decision, REMOVED Ltd is defined as the “company” and so I can only make findings about REMOVED Ltd as REMOVED is not a party to this adjudication.

4. I further find that it is useful at this point to set out the different responsibilities of retailers and wholesalers in respect of business customers. Simplistically, the wholesaler is responsible for the provision and maintenance of the water supply network and the retailer handles account management, billing, customer service etc. The wholesaler bills the retailer in bulk for the water used by its customers with the retailer then billing the individual customer.

5. Following the opening of the business water market on 01 April 2017 the wholesaler is allowed to set the tariffs for water delivery and maintenance of the water supply network. This also means that the wholesaler sets out its other procedures such as leak allowances, refunds, bill adjustments, etc.

6. The retailer does not set tariffs or grant rebates or allowances, and is obliged in its customer facing role to manage administrative dealings such as billing, meter reading, and providing customer services.

7. From the evidence submitted to me I am aware that the customer’s property is classified as a business and thus he is a customer of the company and not the wholesaler. The customer receives his water supply from the wholesaler and usage is monitored by a meter on the supply pipe, which is read by the company and the company issues a bill to the customer.

8. I can see that the customer contacted the company in February 2019 to complain of a higher than average bill. I am also aware that the company took a physical meter reading at the customer’s property on 19 November 2018 and this reading was used to produce the February 2019 bill.

9. The company has acknowledged that it did not advise the customer to check for leaks at his property to eliminate that as a possible reason for the consumption spike.

10. I further understand that in April 2019 the customer, with the assistance of the wholesaler, identified a leak on his supply pipe which he repaired on 15 May 2019. I am satisfied that the customer submitted a leak allowance application form on 04 June 2019, which was passed by the company to the wholesaler for its attention.

11. From the documents submitted to me I can see that the wholesaler rejected the application because it has a policy of giving customer’s a maximum of twenty-eight days to repair leaks after they become aware of them, and that the customer exceeded this timeframe. However, I further note that the wholesaler took the position that the company was partly responsible for the delay because the meter reading of 19 November 2018 can be taken as the date when the possibility of a leak should have been investigated.

12. The wholesaler’s response to the company’s initial allowance request included the following comments : Company received a reading of 10665 m3 on the 19.11.2018, this was the first

opportunity the retailer had to notify the customer of an extremely high consumption. Their ADC had increased from an average of (1.12 m<sup>3</sup>/day) to over (12 m<sup>3</sup>/day). Instead the customer was not warned and the retailer decided to leave the account as it was and let the normal 3 month billing cycle continue.

13. I can see that the company acknowledged its role in the delayed identification and subsequent repair of the leak and granted its own outside of policy allowance. The parties agree that the amount granted was £14,525.26 covering the period from 06 April 2017 to 10 April 2019.

14. I am aware that the customer, during his liaison with CCWater, questioned the company's basis for the calculation of the allowance. However, it seems to me that the company has taken a simplistic approach to the calculation and has simply refunded all actual charges taken between the two dates. I find this to be reasonable and I am satisfied that the methodology was detailed sufficiently by the company in its communication to CCWater dated 14 July 2020.

15. In addition to its understanding that the company should have been aware of a possible leak in November 2018, the wholesaler also states that the customer became aware of the leak on 10 April 2019 but did not finalise repairs until 15 May 2019, thus also exceeding the twenty-eight-day window. The wholesaler states that for this reason it will not grant an extended allowance for the additional period from April.

16. As I have described above, the retailer does not grant leak allowances, and is obliged in its customer facing role to manage administrative dealings and providing customer services. Thus, in this role, it was important for the company to liaise with the wholesaler on behalf of the customer. I am only able to look at if the company fulfilled its obligations in this respect.

17. From my examination of the submitted documents I am satisfied that the retailer has fulfilled its obligations to the customer to a reasonable level. Upon receiving his original leak allowance application form, it forwarded it to the wholesaler and acted as a go-between for the customer and wholesaler. I can see from the documents submitted to me that the company raised the allowance issue with the wholesaler on several occasions, 04 July 2019, 23 July 2019, and 07 July 2020.

18. Regarding the customer's unhappiness that the company requested increasing his monthly direct debit to £714.73, I can see that the company has offered to reduce this to £277.11 for a period of eighteen months. I am not advised of the customer's response to the proposal.

19. I am satisfied, on balance, that the company has acted reasonably on behalf of the customer in its dealings with the wholesaler and attempting to secure an increased leak allowance. As the customer's complaint is against the company and not the wholesaler I am not able to direct that the customer receives an extended leak allowance as he has requested.

20. My conclusion on the main issues is that the company has not failed to provide its services to a standard to be reasonably expected by the average person in respect of attempting to secure an extended leak allowance from the wholesaler on behalf of the customer.

### Outcome

1. The company does not need to take 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.

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## Adjudicator