

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

**Adjudication Reference:** WAT-X249

**Date of Decision:** 07/03/2021

#### Party Details

**Customer:** The Customer

**Company:** X Company

#### Complaint

The customer says that she has received an unfairly large catch-up bill after the company failed to read her meter for a number of years.

#### Response

The company says that it attempted to read the customer's meter and notified the customer that it was unable to do so. The customer has been billed correctly.

The customer has been provided with goodwill gestures and CGS payments totalling £820.22. The company has offered a payment plan of over 12 months.

#### Findings

The company failed to provide its services to the customer to the standard to be reasonably expected by the average person with respect to the estimated bills provided to the customer.

#### Outcome

The company needs to take the following further actions: It must reduce the customer's bill by £1,077.80. In addition, the company must offer the customer a payment plan allowing payment of the remaining amounts over a 3 year period.

The customer must reply by 05/04/2021 to accept or reject this decision.

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## Case Outline

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

1. The customer's complaint is that: • She received a large catch-up bill from the company after being undercharged for a number of years. • The company states that it has been unable to read her meter, which is inside the Property, and has left calling cards, although it acknowledges there was a three-year period in which no calling cards were left. • Goodwill gestures totalling £840.00 have been paid, but the company will not reduce the bill further. • She requests that the company reduce the bill. The customer's comments on the company's response are that: • She denies having received calling cards from meter readers. • She was unaware that meter readings were required, as she has never had to do that before. • She has always paid the bills sent by the company. • She emphasises that the company never called, emailed, or wrote. • She has since been told by the company that she was not actually being billed for water, but only for service rates and charges.

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

1. The company's response is that: • The customer lived at the Property from 1 November 2013 to 4 January 2021. • The Property has an internal meter. • The company was unable to read the meter between 1 November 2013 and 15 November 2019 as no-one was home when attempts were made. • A meter reading was first received on 15 November 2019. • This reading was not initially used for billing purposes, as it showed a substantial jump in usage. • From 1 November 2013 to 11 April 2019 the customer was billed based on the usage by the previous occupant in the Property. • Between 11 April 2019 and 30 October 2019, the customer was billed based on average usage for two customers. • Subsequent bills were either estimated or based on an actual reading and included catch-up charges. • A goodwill gesture of £430.22 has already been provided, reflecting those catch-up elements over 6 years old. • Further goodwill gestures and CGS payments reflecting failings in customer service have been paid totalling £390.00.

## 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.

### How was this decision reached?

1. The customer acknowledges that she did not provide a meter reading to the company for the period in question, but argues that she was unaware that one was required as she has never previously had to provide a meter reading.
2. Not every property is billed on the basis of a meter, and when a meter is present it is usually outside a property. I accept, therefore, that it is possible to misunderstand the need to either allow the company access to the Property to read the meter or to provide a reading oneself.
3. Nonetheless, while the customer denies having received any cards from employees of the company attempting to read the meter, the company has provided evidence that satisfactorily establishes that cards were repeatedly left. In combination with the customer's bills, which I accept would have stated they were based on an estimate, I find that the customer was on notice that a meter reading was required and that the company was unable to get one.
4. I find, therefore, that the company did not fail to provide its services to the customer to the standard to be reasonably expected by the average person with respect to attempting to read the meter and notifying the customer that a meter reading was needed.
5. Nonetheless, it does not follow from this that the customer is therefore liable for the entire amount that the company is now attempting to charge her. There is no question that the company can legitimately bill customers on the basis of an estimate when no actual reading is available. However, it is inherent in the notion of an estimate that it be a good faith estimation based on the available information. That is, the company does not have the discretion to simply charge an amount and label it an "estimate" The. amount charged to the customer must indeed be a good

faith estimate of the customer's likely usage.

6. In the present case, while the company argues that it was unaware of the number of occupants in the Property, it acknowledges that it was told on 13 December 2013 that there were two adult occupants. The company argues that "it isn't always the case that an account with two named account holders are actually the only occupants. The two named account holders could have children for example or, a lodger living with them." However, it remains the case that the best information available to the company was that there were two occupants and so any good faith estimate of the customer's usage had to be based on the expected usage of two adults. If the customer had indeed failed to notify the company of the presence of additional occupants, the company would nonetheless have billed the customer on the basis of a good faith estimate if its estimate had been based on two adult occupants.

7. In its calculation of the customer's bill for the purposes of this dispute, the company has acknowledged that an appropriate estimated usage for the Property with two adult occupants would have involved an average daily usage of 0.3 m<sup>3</sup>.

8. I find, therefore, that the company did not provide its services to the customer to the standard to be reasonably expected by the average person when it billed the customer at the rate of 0.05/0.06 m<sup>3</sup> per day, as reflected in the calculations produced by the company. Given that the company was on notice that there were two adult occupants in the Property, 0.05/0.06 m<sup>3</sup> per day did not reflect a good faith estimate based on the evidence available to the company regarding likely water usage at the Property.

9. I have found above that the customer was on notice that she was being billed based on an estimate, and by not contacting the company to ensure her billing was accurate the customer ran the risk that she would be undercharged and later face a catch-up bill. Nonetheless, the customer does not have the company's expert knowledge of what constitutes usual water usage and so had a limited ability to recognise that she was being substantially undercharged by the company. In short, the customer reasonably relied on the company to make a good faith estimate of her usage, so that any subsequent catch-up bill would not be unreasonably large. The company's failure to bill the customer on the basis of a good faith estimate of her actual usage then exposed to her to a substantially greater catch-up bill than she could have reasonably expected she might receive. As noted above, the company's failure to use a good faith estimate constituted a failure to provide its services to the customer to the standard to be reasonably expected by the average person.

10. In its comments on the Proposed Decision in this case, the company

emphasised that the customer's bills would have included information on average usage for houses of different sizes, suggesting that this meant the customer had the ability to recognise that she was being undercharged by the company. However, the availability of this information primarily underlines that it was also available easily to the company, as the company printed it on each bill, and yet the company continued to bill the customer at a much lower rate. While the customer could have used this information to ask the company if it was making an error with her bills, the company could have used it to correct its own error.

11. The customer has requested a reduction in her bill, and given the above I find that a reduction would be appropriate. Specifically, that the bill should be reduced to reflect the difference between the daily usage the company has acknowledged would have constituted a reasonable estimate of the customer's usage and the daily usage actually used by the company to bill the customer.

12. The company has already reduced the customer's bill by £430.22, reflecting the "overcharge" for those bills over six years old, and so those bills will be excluded from this calculation.

13. Based on the data provided by the company, this leaves a period of 1,447 days that should have been billed at 0.3 m<sup>3</sup> per day. In its comments on the Proposed Decision in this case, the company produced billing information that had not previously been provided, and satisfactorily established that the amount of overcharge totalled £737.07.

14. However, as I have stated above, I acknowledge that the customer was on notice that estimates were being used for her billing, as this was expressly stated on the bills she was sent. As a result, while the customer may not have had the company's expertise regarding estimated billing, had she provided the company with an actual meter reading at any point, the company's error could have been corrected earlier. In reflection of this I find that a reduction of 25% is appropriate, resulting in an amount of £552.80.

15. The company must, therefore, reduce the customer bill by £552.80.

16. In addition, I find that the company's errors in its billing of the customer have caused the customer substantial inconvenience and distress, and although compensation on this basis has not been explicitly requested by the customer, in accordance with Rule 6.6 of the Water Redress Scheme Rules, I find that an award would be appropriate. The WATRS Guide to Compensation for Inconvenience and Distress suggests an award of £700.00 in a parallel situation, however I find that this award is appropriately reduced by 25% in recognition of the customer's own contribution to the ongoing billing errors, as discussed above. As a result, I find that

appropriate compensation would consist of £525.00, appropriately awarded as a further reduction in the customer's bill.

17. The company must, therefore, reduce the customer's bill by a further £525.00.

18. In addition, the company must offer the customer a payment plan allowing payment of the remaining amounts over a 3 year period, reflecting half the length of time over which the debt was incurred, and the shared responsibility of the parties for that debt being incurred.

19. In its comments on the Proposed Decision in this case, the company has argued that the order to provide a 3 year payment plan would require the company to breach its statutory obligations. However, the company has provided no evidence of any statutory obligation preventing such a plan. Instead, the company has referred to its obligation not to show undue preference to any class of customers. The company cannot, however, be accused of showing undue preference to the customer when it merely follows an instruction from an independent adjudicator.

## Outcome

1. The company needs to take the following further actions: It must reduce the customer's bill by £1,077.80. In addition, the company must offer the customer a payment plan allowing payment of the remaining amounts over a 3 year period.

## 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.

- 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.

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**Tony Cole**  
**Adjudicator**