

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-XX13

Date of Decision: 10/02/2021

Complaint

In June 2019, the company repaired a leak in its communication pipe which was its responsibility to repair. Shortly afterwards, the company issued a bill in the sum of £2,092.16. The company said for many months that the bill was correct, and while the customer and her daughter were trying to resolve the matter, it took the £2,092.16 from her bank account leaving her in financial distress. Only after the Consumer Council for Water's (CCW) involvement did the company accept that errors had been made and pay compensation. However, the customer remains unhappy with the outcome. The customer asks that the company pay compensation that is in line with the level of distress and inconvenience caused. The customer has not specified an amount.

Response

Due to incorrect meter readings between November 2016 and December 2018, it miscalculated a leak allowance applied in November 2019. This resulted in an incorrect bill for £2,092.16. It also accepts that at the time the customer's daughter requested a change to the payment method, it may not have been made fully clear to the customer's daughter the consequences of a cyclic Direct Debit payment method, in terms of the amount payable and the timing of payment. It has applied goodwill payments to the value of £284.35 to the customer's account to recognise the inconvenience and distress caused by the incorrect meter reading entries, the incorrect leak allowance, and the cyclic Direct Debit amount taken.

Findings

The company acknowledges that it made a number of errors on the customer's account. The customer raised a complaint in November 2019. It was only after the customer was forced to escalate the matter to CCW on 1 April 2020, some five months later, that the company fully investigated the complaint. The company failed to provide its services to the standard to be reasonably expected by the average person in relation

to the incorrect meter readings, the leakage allowance and the cyclic Direct Debit request. However, having carefully considered the matter, the redress already applied to the customer's account in the value of £284.35 is in line with the WATRS Guidelines to Compensation for Inconvenience and Distress. The evidence does not support a larger sum of compensation for the failings shown. Please note that WATRS's power is limited. WATRS cannot investigate companies, or fine or punish companies.



The company does not need to take any further action.

The customer must reply by 10/03/2021 to accept or reject this decision.

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Party Details

Customer's Representative:

Company:

Case Outline

The customer's complaint is that:

1. The customer's complaint is that: • has been dealing with this complaint on behalf of the customer, her mother,. • In June 2019, the company repaired a leak in its communication pipe; this leak was its responsibility to repair. Shortly afterwards, the company issued a bill in the sum of £2,092.16 which caused alarm, and resulted REMOVED She approached her mother's bank and asked for the amount to be indemnified immediately, and approached the Consumer Council for Water (CCW) for assistance. • The company admits errors were made. It corrected its error on 20 April 2020, only after complaints from her and CCW which reduced the balance to the correct amount of £241.16. It initially offered her mother the sum of £100.00 as an apology for its error. The offer was subsequently increased when the company was challenged by CCW. The bill is now at a zero balance. • However, she and her mother remain unhappy with the outcome as the company had all of the information on its systems regarding the incorrect meter readings used in July 2019, yet it took nine months until April 2020, and CCW's involvement for it to acknowledge it was responsible for its own error. The company insisted for many months that the consumption was correct. The company took the full balance of £2,092.16 from her mother's bank account; and attempted to take the £2,092.16 a second time even though the account was in

dispute and she had placed the account on hold. • Her mother has not received a standard of service that can be reasonably expected. Had she not discovered this unacceptable and distressing error, the company would be sitting on over £2,000.00 in profit, which would have never been discovered and left her mother in financial distress and ruin, and all subsequent bills would have been incorrect. It has taken her many unnecessary phone calls and email complaints and over a year and a half to try to resolve this complaint. • She asks that the company pay compensation that is commensurate with the level of distress and inconvenience caused. The customer has not specified an amount.

The company's response is that:

1. • In June 2019 a leak was found on the communication pipe outside the customer's address. The leak was repaired by its engineers on 22 June 2019. • On 7 October 2019 it sent a letter to the customer advising of high water usage at the address. • On 28 October 2019, an engineer visited the property and carried out investigations of the water meter. It determined that the consumption remained higher than expected for a headcount of 4. • At this time, it requested calculation of a leak allowance in order to recompense the customer for the cost of any water lost by the leak previously found and repaired in June 2019, as the leak had occurred on pipework that is its responsibility to maintain and repair. • This allowance was backdated to cover the period that the leak was ongoing. • The backdating of the allowance involved cancelling the customer's bills during the period and reissuing them with the relevant leak allowance applied. Bills were re-issued on 1 November 2019, following which a balance of £2,662.09 was noted to be outstanding for water services charges. • It has now been identified that it miscalculated this original leak allowance due to incorrectly inputted meter readings which had resulted in it undercharging the customer by 446.4m³ for a period between November 2016 and December 2018. • Accordingly, when the leak allowance was applied on 1 November 2019, the allowance was calculated based on higher water consumption than that which had previously been billed to the customer. • On 8 November 2019, Ms Customer telephoned to confirm her concern over the receipt of the large bill. On 25 November 2019, it received its first written complaint from Mrs Customer. In April 2020 it received contact from CCW in relation to Mrs Customer's account. • On 16 April 2020 it issued a detailed letter to Ms Customer explaining the history of the account and that, following a review, it had been found that the leak allowance originally applied in November 2019 had been applied incorrectly. It explained that it had reapplied the leak allowance to her account on 9 April 2020 with reference to the amounts of the revised charges billed as part of that process. • During a telephone call on 23 December 2019 with Ms Customer a cyclic direct debit was set up for payment by direct debit every 6 months by Ms Customer. • When a cyclic payment method is activated, the bill amount is taken by that payment method at the end of the billing period. If there is any balance on the

account, this balance is included in the first payment made via cyclic Direct Debit. • In its 14 May 2020 written response to CCW, it apologised to the customer and her daughter if the consequences of a cyclical payment method, in terms of amount payable and the timing of this, had not been made clear to Ms Customer at the time she requested this change. • It had requested a sum of £2,092.18 by cyclic Direct Debit request from the customer's bank on 29 January 2020. This Direct Debit request was returned unpaid from the customer's bank on 11 March 2020. • In its written response to CCW on 14 May 2020, it apologised to the customer and her daughter for the poor level of service that they had received from SWS with regard to the leak, bills and leak allowance rectification. • By way of compensation, it had applied a goodwill credit of £100.00 on 9 April 2020 for the poor level of service that the customer received. It applied a further goodwill credit of £184.35 on 13 May 2020, which included a credit of £43.19 for removal of the usage charges for the billing period 14 June 2019 to 16 December 2019. Application of the second goodwill credit of £184.35 cleared any remaining balance on the customer's account at that time and the customer's account was left with a zero balance. These actions were undertaken at the recommendation of Ms Customer and CCW in order to provide resolution to the complaint. • It has applied goodwill to the value of £284.35 to the customer's account in recognition of the poor level of service, inconvenience and distress caused with regard to the incorrect meter reading entries and subsequent incorrect leak allowance which ensued. Additionally the sum included goodwill for the cyclic Direct Debit amount taken, as it accepted it may not have been made fully clear to Ms Customer at the time of amendment to the payment method that this may be a consequence of such a change. In addition, where the undercharging of the customer was realised it did not undertake rectification, as it would be to the customer's disadvantage to do so.

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. Comments on the Preliminary Decision:

- The customer commented on the Preliminary Decision.
- The customer reiterated that the company had provided a very poor level of service. The company never identified or resolve the matter itself. The only reason the company admitted its mistake was due to her persistence in pursuing the matter. She had to contact the company by email and phone on numerous occasions asking for the matter to be investigated. The customer also referred again to email evidence she had previously provided to WATRS in support of this.
- The customer reiterated that it had it not been for her intervention and involvement; her mother, who is 77 years old sick and infirm and does not read or write English, would have been left in financial ruin.
- The customer asks for the company to be fined for its failure in identifying and continuing to deny the incorrect bills. The customer also asks that the company is referred to a governing body for an investigation into unethical practices.
- The customer also asks for more compensation for the stress caused to her and her mother.

Outcome

- The Decision was amended to clarify the scope of the WATRS Scheme (see paragraphs 3 – 5 below in particular). However, the customer did not raise matters that affect the outcome of the Final Decision.

1. Adjudication is an evidence-based process.

2. 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.

3. It is not part of the adjudicator's function to carry out an independent investigation of the facts, or for instance, contact witnesses. If evidence is said to be relevant, it be submitted to WATRS.

4. Please also note that WATRS's power is limited.

5. Any compensation awarded by an adjudicator must also be made in line with the WATRS Guide to Compensation for Inconvenience and Distress.

6. In addition, WATRS cannot investigate companies. WATRS can also not fine or punish companies. This is also set out in the WATRS Guide to Compensation for Inconvenience and Distress.

New matters

7. I note the customer's Comments about two new bills she received in January 2021 dating from 17 December 2019 to 23 December 2020. Please note that this adjudication can only deal with the issues as set out by the customer in her WATRS application form dated 29 October 2020.

8. Under section 5.4.3 of the WATRS Rules, the customer cannot introduce new matters or evidence in their comments on the company's response. The adjudicator must disregard any new matters or evidence if submitted.

9. Any new matters must be raised and dealt with as a new, separate complaint and can only be brought to WATRS after exhausting the company's complaints procedure.

The dispute

10. The company acknowledges that it made a number of errors on the customer's account.

11. The company admits that it inputted meter readings incorrectly due to a decimal point error. The company billed the customer based on these incorrect meter readings on four occasions between 4 November 2016 and 13 December 2018. This resulted in it undercharging the customer by 446.4m³ during the period.

12. The company did not backdate the correct charges as a gesture of goodwill to the customer. However, when it applied the leak allowance to the customer's account on 1 November 2019, it calculated this using the true meter readings for the property, which resulted in a bill being issued for £2,092.16.

13. The company itself says that on 8 November 2019, Ms Customer telephoned to raise concerns over the bill, and on 25 November 2019, it received its first written complaint from Mrs Customer.

14. The evidence indicates that the company did not undertake a full or sufficient investigation of the customer's complaints or account, until the customer's daughter was forced to escalate the matter to CCW on 1 April 2020; some five months later.

15. Following CCW's intervention in April 2020, the company fully reviewed the matter and within days discovered its errors with regard to the incorrect meter

reading entries and subsequent incorrect leak allowance. The company says that on 9 April 2020 it reapplied the leak allowance to the customer's account with reference to the revised charges.

16. The company also accepts that the consequences of a cyclic Direct Debit were not made clear to Ms Customer on 23 December 2019 and it requested a sum of £2,092.18 by cyclic Direct Debit from the customer's bank on 29 January 2020 which was returned unpaid from the customer's bank on 11 March 2020. Although I note that the company says it has no evidence of this from its end, I am also mindful of Ms Customer's Comments that had the bank not advised her to cancel the Direct Debit the company would have been successful in its second attempt to re-take the money.

17. I find that the company failed to provide its services to be reasonably expected by the average person in relation to the incorrect meter readings, the leakage allowance and the cyclic Direct Debit request.

Redress

18. The customer has asked for an unspecified amount of compensation.

19. It is clear that the customer and her daughter had to contact the company on numerous occasions in an effort to get the matter resolved and it was only after CCW's intervention that the company took steps to fully investigate the matter. I also accept Ms Customer's explanation of the impact and distress caused to her mother by the company's attempts to withdraw the £2,092.16 from her mother's bank account.

20. I am satisfied that the customer is entitled to a measure of compensation for the stress and inconvenience suffered as a result. However, having carefully considered the matter, I find that the redress already applied to the customer's account in the value of £284.35 is in line with the WATRS Guidelines to Compensation for Inconvenience and Distress. The customer has not provided any evidence to support a larger sum of compensation for the failings shown. I therefore do not direct any further payment.

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.

necessary in order to enforce the decision.
www.WATRS.org | applications@watsr.org

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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Uju Obi
Adjudicator