

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X283

Date of Decision: 30/03/2021

Party Details

Customer:

Company:

Complaint

The customer's property is served by a district heating system that delivers hot water to his property. In April 2020 the customer raised a query concerning his charges. The customer considers the charges for the provision of hot water are high when compared with other properties he has occupied.

The customer has not received bills for his full billing period and is not able to effectively budget for water use.

The customer seeks a full explanation of charges levied. He also seeks bills covering his full period of occupancy.

The customer seeks compensation for the time spent in resolving his query.

Response

The company has explained how it delivers hot water to the customer's property and how it arrives at its charges. It has provided a copy of its terms for the supply of hot water. The terms set out the method of calculating the energy charge for heating the hot water. It has also provided copies of invoices for 2020 and 2021 and says it will send these to the customer.

The company has acknowledged that the customer's water consumption is above average.

Findings

The customer's water consumption as recorded by the cold and hot water meters is significantly higher than average. Whilst the company has acknowledged this, it has not provided any explanation or carried out any investigations.

The company has not met the standards to be reasonably expected in dealing with the customer's complaint. It has failed to provide a substantive response in the required timescales.

Outcome

The company needs to take the following further actions:

Investigate possible causes of the customer's recorded high water consumption and take action where required.

Pay the customer the sum of £50.00 for its failure to meet the expected standards.

The customer must reply by 27/04/2021 to accept or reject this decision.

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Case Outline

The customer's complaint is that:

- Around April 2020, the customer raised a query with the company for charges which he was not able to understand or account for. This query escalated to a complaint. • A bill for April 2020 was raised manually by the company and included a charge for hot water of £132.66. The major element of the charge appeared to relate to an energy volume charge of £94.66. The customer considered this to be high when compared to charges he had experienced in a previous property. • The customer has queried his water usage as recorded by the company. He challenged the monthly levels of consumption. The customer also checked for leaks but found no indication of any leak. The customer considers his consumption and charges to be high for a two-bedroom apartment occupied by two persons. • The customer is unable to effectively budget for his water use as no further bills have been issued. • The customer had no response to his complaint. • The customer seeks an understanding of the charges. The customer also seeks additional bills covering further months. • The customer seeks compensation for time spent in trying to resolve his query. • The customer has commented on my preliminary decision. I have addressed these comments at the end of this decision.

The company's response is that:

- The company provides invoices for two separate networks that supply the property. One is for hot water and one for cold water. Each supply is metered separately. • Hot water is supplied to the customer via a meter. Charges for hot water are based on the volume of water consumed, as recorded by the meter. They include an energy charge which is the cost of heating the volume of water consumed as measured by the meter. Invoices are provided on a quarterly basis. • The property has a separate cold water supply delivered through a dedicated meter. Invoices are provided on a quarterly basis. • The company has provided a copy of its Terms and Conditions for Connection and Supply of Domestic Hot Water. The company explains that these terms set out the method of calculation of charges for the supply of hot water. • The company has provided copies of invoices from 2020 to 2021 and statements for each of the customer's accounts. The company says that it will be sending that information to the customer. • The company has commented on my preliminary decision. I have addressed these comments at the end of this decision.

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's property is in a development served by a district heating system. The system delivers hot water to each property. From the details provided I note that the customer has separate accounts for hot water and cold water supplies. The customer's complaint relates to the charges for hot water only.
2. The company has provided an outline description of the system. Hot water is generated centrally and distributed to each property. From the copies of the bills provided, I can see that the charges are broken down into four elements. These are:
 - a. Water volume charge.
 - b. Sewerage volume charge.
 - c. Maintenance charge.
 - d. Energy volume charge.
3. Hot water consumption is measured at each property and a charge is made for the volume of water consumed. The energy used to heat that water is calculated from the volume of water consumed. The method of calculating the energy consumption is explained in the company's Terms and Conditions for Connection and Supply of Domestic Hot Water. The method is also noted on the bills.
4. In accordance with Rule 3.5 of the Water Redress Scheme (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. This includes how a company determines its charges. I have therefore only considered whether or not the company has correctly applied its published terms in relation to the customer's situation.

5. The company's terms in relation to charges for hot water show the following charges applicable to 31 March 2020:

- a. Water volumetric charge: £1.83 per cubic metre.
- b. Sewerage volumetric charge: £1.25 per cubic metre.
- c. Electricity for water heating: 16.302 pence per kilowatt hour.

The terms also include the formula applied to calculate the energy used to heat the volume of hot water. Applying the formula to the volume of hot water used shows the energy consumed. From that, the energy cost for heating the water used can be determined.

6. I have reviewed the bills provided in the evidence. Although the charges for energy usage are not a matter for this adjudication, they are linked to the consumption of water. I have looked into the energy charge calculations. The energy consumptions noted on each bill are consistent with the formula for calculation set out in the company's terms and also on each bill. I conclude that the company has applied its published scheme of charges.

7. I have also looked at the charges made by the company. The hot water bills for the periods 1 October 2019 to 1 January 2020 and 1 January 2020 to 1 April 2020 show the following unit charges.

- a. Water volume charge: £1.922 per cubic metre.
- b. Sewerage volume charge: £1.269 per cubic metre.

These charges appear to be slightly different to the charges in the company's terms which state in Appendix 2 that the following water charges apply to 31 March 2020:

- a. Water volume charge: £1.83 per cubic metre.
- b. Sewerage volume charge: £1.25 per cubic metre.

8. There is a difference between the charges billed and the charges in the company's published terms. However, the energy charges are lower as billed to those within the terms. I can find no explanation for the differences. The differences are minor and appear to be to the customer's benefit. I therefore make no direction on this matter.

9. I find nothing in the evidence that indicates the company has failed to follow its

scheme of charges.

10. The customer says that he considers his level of usage recorded to be high. He says that he raised the matters with the Consumer Council for Water (CCW). He also says comparisons suggested his use was around twice that of an average two-person apartment.

11. The company set out in an email sent 22 September 2020 the customer's monthly water consumption from March 2020 to August 2020. This shows typically around nine to ten cubic metres per month. It is not clear in the email whether this relates to both cold and hot water. August's consumption was much lower but it is noted that the customer was not at the property for much of that time. The company also states in its email that that the customer's hot water usage is more than average. However, the company gives no indication whether it considers this use to be abnormally high. It does qualify its statement by pointing out that usage depends on a number of factors.

12. The CCW and the Energy Saving Trust publish data showing the average amount of water use. Both organisations say that, on average, a person uses about 142 litres of water (0.142 cubic metres) per day. The Energy Saving Trust says an average household uses 349 litres of water (0.349 cubic metres) per day. CCW notes that water use varies considerably depending on the number of people in a household and their personal needs. The customer says there are two people in his household. It would therefore be reasonable to conclude the average daily consumption (ADC) related to the customer's property would be in the order of 0.282 cubic metres per day (2 x 0.142). It should be noted that this relates to the total water consumed. As the customer's hot and cold water are metered separately, readings for both hot and cold water volumes should be combined to give a total ADC.

13. I have reviewed the bills provided in relation to water consumption. Unfortunately, the billing periods for hot water and cold water vary. Bills have been provided covering the period from 1 October 2019 to 1 October 2020 for hot water. Bills for cold water are from 1 January 2020 to 1 January 2021, excluding the period 1 April 2020 to 3 June 2020. An accurate assessment of the overall ADC as measured for a 12 month period is therefore not possible. I have, however, been able to assess the ADC over approximately nine months taking the meter readings shown on the bills for 1 January 2020 and 1 October 2020.

14. Meter readings as shown on the customer's bills are as follows:

- a. 1 January 2020, cold water: 231
- b. 1 October 2021, cold water: 302

- c. 1 January 2020, hot water: 166
- d. 1 October 2020, hot water: 239

15. From these readings, the consumptions and the ADCs from 1 January 2020 to 1 October 2020, a period of 274 days, are:

- a. Cold water consumption: 71 cubic metres
- b. Cold water ADC: 0.259 cubic metres
- c. Hot water consumption: 73 cubic metres
- d. Hot water ADC: 0.266 cubic metres
- e. Combined consumption: 144 cubic metres
- f. Combined ADC: 0.525 cubic metres

16. The combined ADC of 0.525 cubic metres is approximately 85% higher than the figures that would be expected using CCW data for a two-person household, noted above as 0.282 cubic metres. It is noted that the period includes August 2020. The customer has advised that for a significant part of August 2020, no-one was in the property. The ADC derived from the bills is therefore likely to be lower than it would have been had the property been occupied as normal during August 2020. This supports the customer's position that his consumption is approximately twice that of an average two-person apartment.

17. Whilst water consumptions between households can vary, consumptions significantly higher than those that would be normally expected may be an indication of a problem. This may include, for example, a leak, a problem with a water fitting, a problem with a meter or some other factor.

18. In its email dated 22 September 2020, the company acknowledged that the consumption had been higher than average. It suggested that the customer review how much water was being used and looked at various items including checking for leaking taps. There is no indication that the company took any further action to investigate possible reasons for higher than average consumption.

19. The customer has confirmed that he checked for leaks by monitoring the meter while he was out for the day. The customer confirmed he found no sign of leaks. The customer has complained about the level of his bills and the company has acknowledged that consumption is higher than average. This is also confirmed by the assessment made above relating to ADC. It would be reasonable to expect the company to look into possible causes for the high consumption levels.

20. I therefore direct the company to investigate possible causes for the customer's ADC to be significantly higher than average levels. It would be for the company to determine what form investigations should take but these may include verifying that meter readings are correctly reflected in billing and meters are accurately recording

volumetric consumption to the customer's property. In the event that any inconsistencies are found, the company shall rectify and amend the customer's bills accordingly.

21. The customer seeks compensation for the time taken to resolve his query. I have considered this matter in relation to the company's performance under the Guaranteed Standards Scheme (GSS).

22. 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.

23. The customer submitted a written complaint on 7 July 2020. From the evidence provided, the first response to that complaint was sent by the company on 9 September 2020. This is outside the ten working day period allowed for a response. The customer is therefore entitled to a payment under the GSS.

24. The company has its own published guaranteed standards in which payments exceed the standards set by OFWAT. Section 5 of the company's standards require the company to pay the customer £50.00 if it fails to provide a substantive reply to a written complaint within ten working days.

25. I direct the company to pay the customer the sum of £50.00 in respect of its failure to meet the required standards of service. The company may, at its discretion, apply the payment as a credit to the customer's account.

26. The customer and the company have submitted comments on my preliminary decision. I have addressed these comments below.

27. The customer has provided meter readings taken on 6 July 2020 and 11 November 2020. The customer calculates the ADC between those dates to be 0.625 cubic metres. This is higher than the ADC calculated above. The customer considers this to be a more representative ADC as his partner joined him at his property in March 2020.

28. I acknowledge the customer has provided additional readings that show a higher ADC since the time his partner joined him at his flat. This supports the point noted in this decision that the ADC is significantly higher than the average for a two-person household.

29. The customer has commented that the GSS says that some companies my

voluntarily increase payments under the scheme and requests the company do this. The GSS published by OFWAT sets minimum payment levels required for failures to meet the expected standards. In the case of delays in responding to written complaints, the minimum payment under the GSS is £20.00. The company's own published guaranteed standards dated September 2020 has increased this amount to £50.00. The company has therefore already increased payments made under its own scheme compared to those set out by OFWAT.

30. The company has commented that the usage at the property is comparable with surrounding properties. I have seen no evidence to support this statement. The company had previously stated, as noted elsewhere in this decision, that the customer's consumption was higher than average.

31. The company also says that the district hot water and heating system installed at the building where the customer's property is located is not the most efficient system. The company says this is the responsibility of the building owner, not the company. Whilst I accept that system efficiency may affect the cost of heating the customer's hot water, I fail to see how the system efficiency can have any impact on water consumption. Water consumption has been noted as significantly higher than average for a two-person household.

32. Having considered comments from the customer and the company, I make no changes to my decision.

Outcome

1. The company needs to take the following further actions:

Investigate possible causes of the customer's recorded high water consumption and take action where required.

Pay the customer the sum of £50.00 for its failure to meet the expected standards.

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.

Ian Raine
Adjudicator