

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT-X309

Date of Decision: 08 April 2021

Complaint

The customer has a dispute with the company about its issuing of backdated charges resulting from a faulty water meter. The customer's claim is that the company has issued wrongly calculated charges for a period when the meter was not recording. The customer says that despite ongoing discussions with the company and the involvement of CCWater the dispute is unresolved and therefore he has brought the claim to the WATRS scheme and asks that the company reduce the bills and the outstanding amount due on the account.

Response

The company states that the charges are correct and payable. It acknowledges that the meter was not recording for a period of approximately fourteen months but says the customer was continuing to use water during this time. It states that the back-charge calculations are correct, due, and payable. The company has not made any offer of settlement to the customer and does not agree to the customer's requests.

Findings

I am satisfied that the company acted reasonably in its dealings with the customer, and that the company is not responsible for granting a bill recalculation. I am satisfied that the company made reasonable efforts to have the wholesaler permit recalculation of the bill, but without success. Overall, I find that the company has not failed to provide its services to a reasonable level, nor has it failed to manage the customer's account to the level to be reasonably expected by the average person.

Outcome

The company does not need to take further action.

ADJUDICATOR'S DECISION
Adjudication Reference: WAT-X093
Date of Decision: 08 April 2021

Party Details

Customer: The Customer

Company: X Company

Case Outline

The customers' complaint is that:

- He has experienced an ongoing dispute with the company about problems with billing on his account, notably in respect of back-charging. Despite the customer's regular communications with the company, and the involvement of CCWater, the dispute has not been settled.
- The customer says that the company had advised him that his water meter ceased to function as from 14 October 2016. He says that he could not have been aware of this because he could not access his meter as it is outside of his property in a pit secured with a heavy metal cover.
- The customer advises that he later sent meter readings to the company on 21 March 2017 and in August 2018. He claims that the August 2018 reading was prompted by the receipt of a large bill covering the period 04 May 2017 to 24 July 2018.
- The customer believes that this long period without a bill being produced contravenes the *Customer Protection Code of Practise for the non-household retail market* which states that water retailers shall issue one bill per year as a minimum. As such he believes that he should not be charged for water consumed before 24 July 2017 because the company did not comply with the requirement to issue a bill at least once per year.
- The customer states that following questions from the company regarding the readings indicating no consumption being recorded, he provided yet another reading and a photograph of the meter.
- The customer claims that the numerous bills issued by the company after July 2018 have been confusing and contradictory. He states that he received a bill on 30 October 2018 that was reversed by a second bill dated 07 January 2019 that in turn was updated with another invoice dated 18 January 2019.

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- The customer advises that he received yet another bill dated 14 March 2019 in the amount of £3,619.13 and that after he complained it was reissued with an increase of £1,139.27 in the amount due.
- The customer requested an explanation from the company as to how the amount due had been calculated and was informed that it was based on an average daily consumption rate of 3.387m³ as per the period prior to the meter ceasing to function in October 2016. The customer believes that overall the billing process of the company has not provided clear, easily understood bills supported by calculations.
- The customer believes that his consumption should be calculated on an average daily consumption closer to 3.00m³, based on his own meter readings taken in January, April, and July 2019.
- The customer records that on 20 February 2020 he received a demand in the sum of £1,499.27 from debt collectors acting on behalf of the company.
- Unhappy with the position of the company, the customer, on 03 July 2020, raised his complaint to CCWater, who took up the complaint with the company on his behalf. The customer records that CCWater contacted the company and requested more detailed information from it and to review the customer service provided.
- The customer acknowledges that CCWater later, on 17 August 2020, informed him that it had received a detailed explanation of the charges from the company. CCWater also noted that it believed the explanation to be a full response to the points it raised to the company and therefore it cannot take any further steps.
- The customer says that despite the intervention of CCWater, the dispute is ongoing, and the company has not changed its position and CCWater are unable to obtain a resolution between the parties. The customer remains dissatisfied with the response of the company and has, on 03 February 2021, referred the matter to the WATRS Scheme where he requests the company recalculate his bills using an average daily consumption of 3.31m³ and do not charge him for consumption before 24 July 2017, plus removing the debt collection agency charges from his account, and pay him compensation.

The company's response is that:

- The company provided its response to the claim in March 2021.

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- The company confirms that it contests the customer's claim submitted to the WATRS Scheme.
- The company says that the customer's account was placed on hold between July 2017 and July 2018 due to the migration from the wholesaler (X Company 2) to the retailer (the company), and as such no invoices were issued during the hold period.
- The company notes that meter readings taken on 22 April 2018 and 13 July 2018 were the same and thus it issued an estimated bill. The company records that shortly after on 18 August 2018 the customer provided his own meter reading that was unchanged from those taken in April and July.
- The company says that on 11 September 2018 it requested confirmation from the customer that his water meter was functioning correctly. The company claims that the customer did not respond until 01 November 2018 and then sent a photograph of the meter on 09 November 2018 which prompted the company to request the wholesaler to replace the meter at the customer's property. The company confirms that the meter was replaced on 17 December 2018.
- The company states that the water charges applied for the period before 24 July 2017 are correct and payable as it was the customer that consumed the water.
- The company also claims that the backdated charges raised are based on the customer's average use from the previous year, and thus the rate used at 3.387m³ per day is the fairest method of calculation. The company says that based on information provided by the wholesaler it has correctly applied the charges for the period October 2016 to December 2018.
- The company says that it has removed from the customer's bill all debt collection agency charges and made goodwill payments of £40.00. It confirms the amount currently outstanding on the customer's account is £1,099.27.

How is a WATRS decision reached?

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

1. Whether the company failed to provide its services to the customer to the standard to be reasonably expected by the average person.
2. Whether or not the customer has suffered any financial loss or other disadvantage as a result of a failing by the company.

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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 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 the company has billed him for backdated charges for a period when his meter was not working and has used an incorrect average daily rate of consumption when calculating the amounts due.
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 evidential documents submitted to me. The retailer is X Company and the wholesaler X Company 2. In this WATRS adjudication decision, X Company is defined as the "company".
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 consumed 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 permitted 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 bill adjustments, leak allowances, refunds, etc.
6. The retailer does not set tariffs nor 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 provided to me I am aware that the property of the customer is classified as a business and therefore 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. The customer has relied upon the OFWAT document entitled *Customer Protection Code of Practice for the non-household retail market*. This includes the following :-

9.2 Billing accuracy and frequency.

- a. 9.2.1 Retailers shall issue at least one accurate bill, or invoice each year which uses a Meter Read where the supply is Metered.
- b. 9.2.2 Retailers can choose to accept Meter Reads, including any Transfer Read taken by the relevant Non-Household Customer.

9. From the information provided to me I can see that the customer was issued with a bill on the following dates :-

- 25 October 2016
- 24 January 2017
- 04 May 2017
- 24 July 2018

10. The 2016 bill was based on a meter reading taken by the company. It seems to me that the bill dated 04 May 2017 was based on a meter reading taken by the customer and was accepted by the company under Rule 9.2.2 as identified above. I find, on a balance of probabilities, that the company complied with Rule 9.2 of the *Customer Protection Code of Practice for the non-household retail market*.

11. The customer has also queried the company's decision to charge him for the period between October 2016 and 24 July 2017 stating that it was "*beyond a year from the last invoice*" and bases his position on Rule 9.2.1 as noted above. I am not persuaded by the customer's understanding of the Rule, as it seems to me that it requires the company to issue a meter-based invoice each year. The Rule does not stipulate bills must be issued at twelve monthly intervals, and anyway an invoice was issued on 24 January 2017.

12. Also, I have made reference to the statement of account provided by the company and I cannot identify any invoice dated 24 July 2017 being issued. It seems to me that July 2017 is when the company started a twelve month "hold" period on the customer's account whilst it migrated

information from the wholesaler. The company confirms that no invoices were intended to be produced during the “hold” period.

13. The company has stated that the invoice dated 14 October 2016 was based on a confirmed meter reading and irrespective of the meter functioning or not, the customer continued to consume water. I am persuaded by the company’s position, having particular regard to the nature of the business the customer operates at the property.
14. The customer has also questioned the average daily consumption (ADC) figure used to calculate his backdated bills. The company explains that the estimated volume of water billed was calculated by the wholesaler whose ADC assessment was based on the customer’s usage using actual meter readings taken on 16 October 2015 and 14 October 2016.
15. The company says that following the customer’s questioning of the figures it went back to the wholesaler for confirmation and an explanation. The information was received from the wholesaler on 07 January 2019 confirming the calculations.
16. The customer contends that the ADC should be based on usage following the replacement of the meter in December 2018, and he estimates a figure of 3.31m³ would be more accurate. However, I note that the customer has not provided any substantiation of his estimated daily usage proposal.
17. I am satisfied that the basis of the wholesaler’s ADC calculation is correct and reasonable, and I am not persuaded that the customer has established why the figure should not be used.
18. In his application to the WATRS Scheme the customer has requested that the company be directed to reduce the current outstanding amount on his account because he should not be charged for water consumed before 24 July 2017 and the ADC used is too high. I have addressed both these issues earlier in this decision, and I shall not direct the company to reduce the balance owing on the account.
19. I am satisfied, on balance, that the company has acted reasonably on behalf of the customer in its dealings with the wholesaler and in attempting to secure an account re-calculation. I can see that the company approached the wholesaler on at least two occasions to seek to have the bills amended. As the customer’s complaint is against the company and not the wholesaler, I am not able to direct that the customer receives a bill re-calculation as he has requested.
20. After closely looking at the evidence I am satisfied that the retailer has fulfilled its obligations to the customer to a reasonable level. Upon receiving his detailed complaint, it referred the problem to the wholesaler and then acted as a go-between for the customer and wholesaler.

21. The customer also requests that charges added to his account balance for the services of the debt collection company be removed. The company, in its response document has confirmed that all debt collection charges in the amount of £250.00 have been removed from the customer's account.
22. Finally, the customer has requested to be paid an unspecified amount of compensation in respect of the inconvenience caused with the billing issue. As I have noted above, the charges were calculated by the wholesaler and passed to the company in order to be billed to the customer. I am satisfied, on balance, that the company has acted reasonably in looking to have the charges recalculated, and I am not satisfied that any actions of the company have caused inconvenience to the customer. I find that this part of the claim does not stand.
23. 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.

Preliminary Decision

- The Preliminary Decision was issued to the parties on 25 March 2021.
- On 01 April 2020, the customer submitted comments on the Preliminary Decision. The customer reiterated his position that he believes it is fairer to use meter readings taken after the fitting of the new meter.
- Overall, I find the customer's comments have not raised matters that affect the decision and so those comments will not be specifically addressed.
- The company did not submit any comments on the Preliminary Decision.


Outcome

The company does not need to take further action.



Peter R Sansom
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Member, London Court of International Arbitration.
Member, CIArb Business Arbitration Panel.

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Member, CEDR Arbitration Panel.
Member, CEDR Adjudication Panel.

Adjudicator

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