

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT-X334

Date of Decision: 9 June 2021

#### Complaint

The customer has discovered that his business premises is on a shared supply with a domestic property in the same building, and he is concerned that there is an undetected leak on the pipework as the usage recorded on his meter is very high. The customer wants the company to help him resolve the shared supply issue and reduce his bills in line with his usage. The customer is also unhappy with the customer service he has received from the company and would like a formal apology.

#### Response

The company is not responsible for remedying the issue with the shared supply, and X Company 2 (the "Wholesaler") cannot fit separate meters until the landlord has carried out the necessary pipe modifications. The company cannot reduce the customer's charges because the Wholesaler has refused to put the customer on assessed charges. The company admits that its service has not always met the expected standard and it has applied goodwill payments to the customer's account to acknowledge this. However, the balance on the customer's account is correct and payable.

The company has not made an offer of settlement.

#### Findings

The Wholesaler, not the company, is responsible for metering and calculating the customer's charges, and the company is responsible for applying the charges authorised by the Wholesaler to the customer's account. As the Wholesaler is not a party in this case, I am unable to make a finding regarding the Wholesaler's decisions or actions. However, I accept the company's argument that the private pipework issues are a matter for the customer and the landlord to resolve between themselves. In view of this, the customer's claim for reduced charges and help with his shared supply cannot succeed. The evidence shows that the company has effectively operated as an intermediary between the customer and the Wholesaler and, although there were some service failings on behalf of the company, the customer has received appropriate goodwill payments for these. As the delays in resolving the complaint were mainly due to the Wholesaler's decisions, the customer's claim for an apology cannot succeed.

## Outcome

The company does not need to take any further action.

## ADJUDICATOR'S DECISION

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### Party Details

**Customer:** The Customer

**Company:** X Company

### Case Outline

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

- He has discovered that his business premises is on a shared supply with a domestic property in the same building. Due to the high usage recorded on the meter, and the fact that the meter is spinning very quickly, he is also concerned that there is an undetected leak on the pipework in the building.
- He received a bill on 6 November 2018 for £4,879.69, which was significantly higher than the bill he received on 9 March 2018 for £42.91. Following a visit by an engineer, it was confirmed that the meter was recording usage for the whole building, which means that he has been paying for other people's water for the last fifteen years.
- He is also unhappy with the service he has received from the company; it wanted to charge him £400.00 for an engineer to check the meter, and it advised him to cancel his

direct debit until the issues were resolved, but this has led to his balance increasing to £10,169.46.

- He wants the company to help him resolve the shared supply issue and reduce his bills in line with his usage.
- He would also like the company to apologise for the poor service and delays.

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

- The shared supply is a third-party dispute for which it is not responsible. However, there are two ways this issue could be resolved; the landlord could amend the pipework and split the supply so that each property only pays for their own consumption, or the landlord could take responsibility for the account and charge his tenants accordingly.
- The customer enquired about being put on an assessed charge and this request was referred to the Wholesaler, but it was declined because the Wholesaler's Charges Scheme did not permit it. However, the Wholesaler confirmed that if the customer arranges for the pipework to be split, it could visit the property to assess whether separate meters can be fitted.
- In view of the above, while it is sympathetic to the customer, unless the landlord is willing to carry the necessary modifications, the supply cannot be separated.
- The customer states that he was advised to cancel his direct debit, which led to a steady increase in the outstanding balance on his account. A review of the account shows that an increased payment was taken from the customer's account and he was advised to cancel his direct debit and make an indemnity claim with his bank; however he was told to continue with a standing order to reduce his outstanding balance.
- The customer complains that it wanted to charge £400.00 for an engineer's visit. Since the market opened up, wholesalers can apply charges for certain work requests carried out for retail customers. It advised the customer of the charge for a meter accuracy test because it wanted to make sure the customer was aware the Wholesaler would charge for the service.
- On 4 February 2019, a supply check request was rejected by the Wholesaler as it felt the property was unlikely to be on a shared supply. A charge of £66.00 was applied to the customer's account for this but, since the customer is indeed on a shared supply, this fee has been removed.
- Following an account review, an additional goodwill gesture of £140.00 has been made as the following six service failings were identified: a charge was incorrectly applied to the account on 4 February 2019, it failed to update the customer's address on 18 February 2019, the customer's partner's details were not appropriately added to the

account on 12 December 2019, it inappropriately repeated advice to the customer requesting a self-leak test when a plumber had already confirmed there was no leak, an incorrect direct debit amount was taken on 16 November 2020, and all issues raised in the Stage 2 complaint were not addressed.

- With these amendments, the total outstanding balance on the account is £7,283.97. This amount is correct and payable and it denies responsibility to reduce the charges further. However, if the customer cannot clear this amount in full, it will offer him a payment plan spread over 18 months.

### **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.

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. Please note that 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. Having reviewed the evidence provided by the parties, I find that the company is the customer's retail provider and is responsible for billing, accounting and customer services. X Company 2 is the customer's wholesaler and, as such, is responsible for the maintenance and repair of the water and sewerage assets and, amongst other things, the calculation of charges and metering. Therefore, X Company 2, not the company, is responsible for assessing the customer's charges and making decisions about metering, and the company is responsible for applying the charges to the customer's account.
2. In order to make a decision in this matter I must clearly distinguish between actions taken by the wholesaler and the duty owed by the retailer (the company) to its customers. Since the water market in England opened up to retailers in April 2017, all

non-household customers have been moved to a wholesale/retail split service. As a result, a non-household customer now only has a relationship with the retailer. In turn, an adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, as the party to the case, has responsibility, and not those things for which the wholesaler has responsibility. This includes, however, the effectiveness with which the retailer has operated as an intermediary between the wholesaler and the customer.

3. The customer wants the company to help him with his shared supply issue and reduce his charges in line with his usage. Therefore, the Wholesaler's decision not to put the customer on assessed charges, and its decision that it cannot install a meter for the customer's own supply until the landlord has rearranged the pipework, is central to this dispute.
4. However, as explained above, because the Wholesaler is not a party in this case, I am unable to adjudicate on the conduct, or liability, of the Wholesaler, and I accept that the company has no authority to insist that the Wholesaler takes any action in this regard. Whilst I fully appreciate that my decision will disappoint the customer, I am unable to make any determination regarding the Wholesaler's refusal to change the customer's charges from metered to assessed, or reduce them by some other means, and I also accept that splitting the supply to the building is a matter for the landlord, not the Wholesaler or the company. Therefore, while I appreciate that this is not the outcome the customer hoped for, the customer's claim for help with his shared supply and a reduction in charges, cannot succeed.
5. For completeness, I add that the correspondence between the company and the Wholesaler provided in evidence demonstrates that the company engaged with the Wholesaler on the customer's behalf and explained the customer's complaint to the Wholesaler accurately. In view of this, I am unable to conclude that the company has failed to effectively operate as an intermediary between the Wholesaler and the customer, or that the company has failed to provide its service to the standard reasonably expected by the average customer in this regard.
6. The company admits that it failed to meet the expected standards of service at times and the evidence demonstrates that this is the case. However, the company has made adequate GSS payments for its failings. The evidence shows that the delays in

resolving the customer's complaint were primarily due to the Wholesaler's belief that the supply was not shared and, therefore, I do not find it appropriate to direct the company to apologise to the customer.

7. The customer has made comments on the preliminary decision and has raised issues that were not mentioned in his initial complaint. Rule 5.5.3 of the WATRS Scheme Rules states that the customer cannot introduce new complaints at this stage. It therefore follows that I am unable to adjudicate on the new issues raised by the customer. The customer also raises issues already adjudicated on concerning the conduct and decisions of the Wholesaler. I appreciate that my decision is disappointing for the customer but, as stated above, I am unable to adjudicate on the actions and decisions of the Wholesaler.

#### **Outcome**

The company does not need to take any 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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*KS Wilks*

Katharine Wilks

**Adjudicator**

