

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT-X404

Date of Decision: 4 June 2021

Complaint

The customer seeks a refund of the tariff difference between the metered charges of his new smart meter and what he has paid in Rateable Value (RV) charges. He stated that the company refused to refund him because he did not notify the company by March 2020, which was when the automatic switch to the smart meter was due to occur. He stated that the engineer who installed the meter informed him that he would get a refund after the automatic switch in March 2020. He phoned the company in March, but he could not get through. He contacted the company again in September 2020, but the company refused to issue a refund.

Defence

The company stated that it sent various documents to the customer clearly indicating that he would have to contact the company within the first year of the meter installation in order to claim any differences in charges. It stated that for the refund to be applicable, the customer request should have taken place between 5 March 2019 and 7 March 2020. The company said that because the customer made the request after the deadline, he is not eligible for a refund.

Findings

When the customer had the smart meter installed, he was informed that at the end of the first year he would be given a refund if the new metered tariff was cheaper. The customer was also provided with additional paper documents that stated that the request must be made within the first year from its installation and before its automatic switch that was due on 7 March 2020. The customer said that he contacted the company in March 2020, but after receiving an automated recording due to Covid restrictions, he contacted the company again in September 2020. In the September call the company switched him to the new tariff but refused to issue the refund. I find that the customer made the request following the advice from a company's engineer and before the switch took place; thus, I find that he is entitled to a refund.

Outcome

I direct the company to refund the customer the tariff difference between the RV charges he paid and the metered charges from 5 of March 2019 to 6 of March 2020.

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The customer must reply by xx June 2021 to accept or reject this decision.

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Date of Decision: 4 June 2021

Party Details

Customer:

Company:

Case Outline

The customer's complaint is that:

- The company installed a smart meter in his house and the engineer explained to him that at the end of the first year period, he could request a refund of the difference between his previous rate and the smart meter (if cheaper).
- In March 2020, when the switch was due to happen, he said that he contacted the company, but he could not get through on the phone line, receiving instead an automated recorded message.
- In September 2020 the customer contacted the company again. The company made the switch over and agreed to refund the customer between March and September 2020 but refused to refund him for the earlier period of one year.
- The customer seeks a refund of the difference between his paid bills and the chargeable rates applicable since he had the smart meter installed.

The company's response is that:

- The company stated that the customer is not entitled to a refund of the difference between the charges billed to him based on the Rateable Value tariff and the smart meter.
- The company stated that the customer would have been entitled to a refund if he had contacted the company between the 5 March 2019 and 7 March 2020 and requested the change to the metered charges.
- However, as the customer did not contact the company before the deadline, the customer is not entitled to a refund based on the Smart Meter Programme Policy.

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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.

If the evidence provided by the parties does not prove both of these issues, the company will not be directed to do anything.

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 had a smart meter installed as part of the Smart Metering Programme (SMP) which made the fitting of smart meters compulsory based on the powers set in Section 162 of the Water Industry Act 1991. As part of the SMP, the customer was sent a booklet on 12 November 2018 with information which included information on the 'one year comparison' period on page seven. The meter was installed on 20 December 2018 and the customer was provided with a leaflet in which page six provided information about the option to obtain a refund from the price difference between the Rateable Value (RV) tariff and the metered tariff during the first year.
2. On 5 March 2019 the customer received another leaflet that stated that he would continue to be billed according to the RV until 5 March 2020 when he would automatically be switched to metered billing. In addition, the company sent the customer letters comparing both tariffs after three, six and ten months, of the smart meter installation.

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3. The customer contacted the company on 21 September 2020 and enquired why he was still charged a RV tariff, which was due to change to the smart meter tariff in March 2020. The company switched the customer to a metered billing with effect from 7 March 2020, but it refused to refund him for the previous year because the customer had not contacted the company before 7 March 2020. However, the company refunded the tariff difference from the period of 7 March 2020 to 21 September 2020.
4. The customer stated that the letters sent by the company were not clear about when the notification ought to be given in order to benefit from the reduced water rate. He also stated that the engineer who installed the meter in his house informed him that the company would compare the two tariffs and would offer him a refund at the end of the first year of operation of the smart meter. The customer stated that he was not aware that he had to contact the company before the end of the first year because the engineer said that the switch and the refund will occur automatically.
5. The customer stated that he contacted the company in March 2020 but he could not get through by telephone, and instead he received an automated recorded message advising him to contact the company online. He stated that as the national lockdown had started, he decided to wait until things calmed down a little. The company stated that the recorded message was operative from 23 March 2020, so it stated that the customer must have contacted the company after the one-year comparison period has expired, which was on 7 March 2020. The company repeated in its comments to the preliminary decision that there is no evidence that the customer contacted the company before the 7 March 2020.
6. I note that the company did not meet its own deadline to switch the customer's bill to the metered system on the 7 March 2020 and kept charging the customer on the higher RV rate until the customer contacted the company again on 21 September 2020. The company has explained that the delay was caused by their strategic decision to pause the SMP during the lockdown as it needed to relocate staff to work from home and they were dealing with a higher number of customer queries. Thus, the switch to the metered bill only took place in September 2020 when the customer contacted the company and requested the switch and the refund. The company stated in its defence (page 8) that since the customer "didn't call us prior to 7 March 2020 to ask to be switched to metered charges prior to the automatic switch (and prior to the national lockdown), we've acted correctly in line with our policies", and it adds that it cannot make an exception in this case. However, I find that the company did not proceed with the

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switch on 7 March 2020 (which the company explained that it has to be done manually) and that the switch only took place after the customer contacted the company in September 2020. Moreover, I am mindful that the company has given £50.00 to the customer as a gesture of good will for any misinformation that may have been given by (or misunderstood from) the engineer who installed the meter at the customer's property. I note that the customer's complaint letter dated on 30 October 2020 stated that when the meter was being installed the engineer explained to him and his wife that they could either switch over to the metered bill then or continue to pay RV charges and have a refund at the end of the year. Therefore, the engineer did not inform them that they had to claim back the refund before the end of the first year, instead the engineer said that the refund would occur automatically after the switch to the metered bill.

7. I find, on a balance of probabilities, that the customer was misled by the engineer that installed his smart meter and said that the refund takes place automatically at the end of (rather than when requested from the customer before) the switch from RV tariff to the metered tariff. This finding is based on the customer's statement that he tried to contact the company in March 2020 (while the company said that this probably was in April 2020) to request the switch and the refund. I am mindful that the company has acknowledged this allegation when it issued a £50.00 goodwill payment and noted in the email sent by the senior case manager, on 8 February 2021 to the customer. In that email she stated that "I understand you were wrongly advised by our Smarter Home Visit (SHV) representative when he advised you that you're due a refund for your bills in 2019". The company stated that the customer was provided with various leaflets that explained the conditions of the refund, but I note that this information is not contained in a prominent manner at the beginning of the documents. For instance, the booklet given on 12 November 2018 includes this information on page 7 and the leaflet provided on the installation date of 20 December 2020 included the information on pages 3 and 6. In view of that, I find it plausible that the customer relied on the information provided by the engineer instead of in the information contained in the documents. Furthermore, as noted in the previous paragraph, I am mindful that the company stated in its defence (page 8) that the refund must take place before the automatic switch of the meters (which was due in March 2020), and that the customer contacted the company before the actual switch was made in September 2020.
8. In view of the above, I find that the customer requested a refund based on the information provided by the company's engineer (i.e. at the end of the year after the installation) and the request was made before the switch to the metered bill. In view of that, I direct the company to

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refund the customer for the cost difference between the RV charges and the meter charges during its first year of operation.

Outcome

I direct the company to refund the customer the tariff difference between the RV charges he paid and the metered charges from 5 of March 2019 to 6 of March 2020.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by xx June 2021 to accept or reject this decision.
- If you choose to accept this decision, the company will have to do what I have directed within 20 working days from the date on 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.



Pablo Cortés, Ldo, LL.M, PhD

Adjudicator

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