

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X413

Date of Decision: 25/06/2021

Party Details

Customer:

Company:

Complaint

The customer complains that the company has billed him incorrectly and given poor customer service. As the company did not alert the customer to the fact that it offered a free service for meter fitting at his home and that there would be financial savings if he had a meter installed, the customer continued to pay for water based on the rateable value of his home between 1999 and 2019. Also the company promised to review its goodwill gesture in September/October 2020 and did not do so. The customer asks for an apology, a refund of water rates from December 1999 until October 2019 based on actual/average water usage, compensation for distress and inconvenience (amount unspecified) and interest.

Response

The company says that the customer was alerted to the free meter scheme and the possibility of the beneficial free installation of a water meter with and on bills, in an annual statement, by an email in 2015 and on its website. The company says that it has not fallen below the expected standard.

Findings

I find that the company has taken the steps that would reasonably be expected to alert customers to the potential benefits of metering and that a meter could be fitted free of charge. The company has also given a significant goodwill gesture to the customer even though it had (save for a failure to contact the customer when promised) supplied its services to the standard that would reasonably be expected.

Outcome

The company is not required to take further action.

The customer must reply by 02/07/2021 to accept or reject this decision.

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Case Outline

The customer's complaint is that:

• Since December 1999, water charges have been based on the rateable value of his property. The bill has always come out annually in April and on page 1 has detailed 1) any outstanding balance, 2) charges for the forthcoming year and 3) payments made and forthcoming payments due each month. • In 2014 the customer contacted the company to change bank details for a direct debit payment to be set up. No mention was made of metering. • In October 2019, the customer contacted the company regarding an issue that he had with another property as he manages and rents out properties for a living. • He was informed that he could have a water meter fitted at his home at no cost and could make significant savings on the amount he pays each year. Also, he says he learned that if his water bills increased within 2 years of having it fitted he could revert back to paying based on rateable value and have the water meter removed for free. • He had previously never enquired about having a water meter because he was under the (wrong) assumption that there was a charge to have these fitted and this could not be removed. One of his friends had had a meter fitted prior to 1990 and he had been charged for the installation. The customer explains also that when he had been growing up there had been a common misperception that if there were more than 2 people in a household it was more expensive to have a water meter (children having baths, paddling pools, increased use of washing machine etc). He had always assumed that this was correct as he had no other information to contradict this view. There had been no advertising in the press, media, online or notifications from any water companies to make the customer aware of potential savings through having a water meter fitted. • The customer arranged for the water meter to be fitted on 23 October 2019 at no cost and soon noticed that his water bill had dropped significantly due to the relatively small amounts of water that his family were consuming. Shortly after this, the customer raised a complaint that the company had failed to provide him with any information relating to the potential financial benefits of having a water meter fitted. • The company originally offered the customer 12 months payment (£720.00) as a goodwill gesture which he later accepted as it was unconditional. The customer suggested that the complaint be reviewed around a year later to find out how much water was used in 12 months; this amount could be compared against what he was being charged under the original rateable value system. • The customer received a bill in September 2020 showing that based on his current water usage his monthly direct debit payments would be reducing to £18.96 a month from October 2020 because he

was in credit on his account and would have been paying £86.59 per month under the old rateable value system. • The customer raised this issue with the customer service team and they sent a final response letter on 2 October 2020, including his rights to escalate the complaint to the Consumer Council for Water (CCWaters) and ultimately WATRS. • The customer says that other than a mailshot in 2015 (which the customer says he did not receive), the company has made no attempt to advertise, publicise or notify their customers who pay based on the rateable value of their properties. • Nowhere on the first page of his annual statement does it state the benefits of having a water meter or even a link where he could go to find out more information although this information is included on the company's website, The customer says that he only ever looks at the front page of the bill and the advantage of a water meter would be best placed on the front page instead of information about going paperless. • The customer points out that the company receives a bigger income from customers who are unaware of this advantage and asks for:

- o An apology
- o A refund of water rates from December 1999 until October 2019 based on actual/average water usage, taking into account his average water consumption from 19 October 2019 to 19 April 2021 (19 months actual water usage).
- o Compensation for distress and inconvenience (amount unspecified) and
- o Interest.

The company's response is that:

- The company is entitled to impose charges on customers in accordance with its charges scheme and it has acted consistently with its policies, processes and legal and regulatory requirements in raising charges against the customer and in dealing with his complaint.
- The company believes that it has have promoted its Free Meter Fitting Scheme effectively, and it is sorry that the customer has not noted all the information provided on his bills and in the leaflet enclosed with his new bill each year, and also its promotional email sent in 2015. Also, the company points out that there is a water meter calculator on its website so that customers can work out whether they would make a saving if they had metered water.
- The customer has been registered for its online My Account service since December 2011 and had access to all the information on the website regarding the Free Meter Fitting Scheme.
- The company has provided its services to the standard that is reasonably expected.

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.

I also make clear that I have considered the comments made on 22 June 2021 by the customer in response to my Proposed Decision.

How was this decision reached?

1. The gist of this complaint is that the customer alleges that the company has failed to make the benefits of its free meter fitting service and the cost savings of moving to metered water adequately known to its customers, such that he has suffered a financial loss by being billed according to the rateable value of his property.
2. I therefore consider whether the company has sufficiently promoted these matters by reference to the reasonable expectations of an average customer applied to the circumstances of this particular customer. In his response to my Proposed Decision, the customer has raised a query about the characteristics of the “averagecustomer” as referred to in this decision. I confirm that in referring to the “averagecustomer”, I have had in mind also the legal concept of the “average consumer”, which provides a benchmark for the assessment of what might reasonably be expected. The average consumer (and therefore the average customer) is a person who is reasonably observant, well-informed and circumspect and who might reasonably be expected to read information about a matter in which he has an interest.
3. I note that the customer says that he was aware of the option to have a water meter installed but, in the light of his assumptions, based on information from (as he says he is nearly 60) more than thirty years earlier, he believed without further investigation that a meter would not be beneficial. His complaint, therefore, is not that he did not know about metering, but that he did not know that it would help him. I find that an average customer would not reasonably expect without further enquiry that a situation that may have been the case thirty years earlier would still be the case now. In respect of his individual circumstances, the customer says that he was not informed that he had an online “MyAccount” and says that he could have been told in 2014 that his bills were unduly high, but the company did not take the opportunity to advise him. In response to my Proposed Decision, the customer

has reiterated that he was not informed by the company of how to access MyAccount.

4. I find that the documents submitted by the company show that the company does explain to customers generally about the free meter fitting scheme on its bills and also refers customers to its website. The customer accepts that he received documentary bills. I find therefore that he has had the opportunity to read about the benefits of receiving metered water. Specifically, I find from the documentation submitted to me that the bills contained Frequently Asked Questions (FAQs) in the left-hand column page 3 of Non-Direct Debit bills and on page 2 of 1 page Direct Debit bills from 2008 to 2010. From 2010 the company has shown that it prints:

Free Meter Option?

You can choose to have a free meter fitted and be charged for the water you use rather than based on the RV of your home. If you live alone, have a small family or a high RV, you might save money. If it's not for you, you can change back to RV charges if you ask within 24 months of the meter being fitted.

If we're unable to fit a meter at your home, you'll then have the option to switch to an 'assessed charge' which is an annual fixed charge based on your property type or whether you live alone. We'll give you all the details if this applies to you. Find out more at unitedutilities.com/meters or call us on 0345 672 2888

5. Although the customer says that he only read page 1 of his bill, I find that an average customer interested in what they had to pay, would reasonably consider all the pages that had been supplied by the company at periodic intervals, and not confine their reading only to the front page. Had the customer done this, I find that he would have discovered the location of information about water meters. The customer also argues that the print size was small and difficult to read for a person with his eyesight. I would comment that the print size is comparable with much other information on the bill, but I also find that customers - especially a customer with skills in managing and letting property - could reasonably be expected to know that important information can be conveyed in small print and would make the effort to magnify this sufficiently to be able to read it. Although the customer says that he would only expect to read small print if he had been referred to it by large print, I observe that the bill is not a set of terms and conditions (where direction to important clauses might occur) but a small document in which the company has to make a choice as to the information provided. A customer interested in the information that the company wanted to tell him about would, I find, have taken steps to ensure that he understood what that information was and would have been given information about metered water.

6. In certain years also, the company has included with the bill leaflets (the first of which was in 2010) which also gives this information. The company has submitted

extracts from these and I am satisfied that each extract shows that information about the benefit of meters was regularly supplied to customers and they were told that they would be eligible for a free internal meter.

7. On its website, the company explains in detail the benefits of having a water meter fitted and additionally there is a calculator that assists customers to weigh up their own position.

8. The company has also additionally provided evidence that as part of a regulatory requirement it issues every customer with a Customer Information Leaflet with their annual bill. This leaflet contains information regarding on how customers are charged and also promotes its free meter offer to customers. The company explains that the most recent version of this leaflet can be found on its website at: redacted and it includes an explanation of metered charges for household customers. Although I was unable to get this link to the document, the company does not say that only the link was sent to customers, but the physical document. It has submitted supporting evidence for its "Ourwater & wastewater Services 2011/12" which concerns charges and I find that it is probable that this was supplied to the customer. This says

Could I reduce my water charges if I switch to a meter?

If you live on your own, have a small family or live in a property with a high rateable value you may be able to reduce your water bill by switching to a meter.

Apply online at xxx or phone our 24-hour automated leaflet

line on xxxx and request a copy of our booklet 'Could you be better off with a water meter?'

If you are not happy with your metered charges, you have up to 13 months of the meter being fitted to switch back to unmeasured bills.

9. The company further says that in 2015, a specific promotional email for its Free Meter Fitting Scheme had been sent to the customer in 2015 but the customer has explained to the company that this email may have gone into his spam folder. I find that this is not something that the company could have done anything about because it has no control over the customer's email settings. The fact, therefore, that the customer did not receive this, I find, is not an indication that the company failed to supply its services to the correct standard.

10. I therefore find that in response to the customer's complaint, the company has put forward (excluding MyAccount) five ways in which the company has taken steps to try to engage the interest of customers in its metering scheme and I find that an average customer concerned to think about his water bill would have been aware of this. Although the customer, in his response to the Proposed Decision, challenges the company to produce evidence that the individual documents were

directed specifically to him, I find that the company has given an explanation of its usual system and the customer has not put forward evidence that his situation was different from that of any other customer. In these circumstances I find that it is more probable than not that documentation that was supplied to other customers was also supplied to him.

11. I find that the company recognises that not every customer will be better off having metered water, and, as it states, the company's customers are likely to have a better understanding of what is suitable for their needs than is the company. I find, in the light of the five ways described above, that the company has given information that enables its customers to make a choice. I find that this is consistent with the expectations of an average customer. I find that in its general communications with customers about this, therefore, the company has not failed to meet the expected standard for communicating the advantages of its metering scheme to the customer.

12. Turning to MyAccount, the customer says that he was not made aware in 2011 that an online account had been opened for him. I find, however, that the customer's recollection about this is unlikely to be correct. The company's notes state that he was registered for the self-service website on 20 December 2011. Although the customer denies this and says that he has been sent no confirmatory emails, etc., the customer appears to have supplied the company with an email address to enable this to be used and has updated the marketing consent via the website. I find that at least the last of these could not have been performed unless the customer indicated via the website what he was prepared to agree to in terms of receipt of marketing materials. Further updates to this account also appear to have taken place in 2017 and April 2019 with verifications of his email address. Again, I find that it is likely that the customer was alerted to these changes. Even if he was not, however, I have found above, the bills and other information supplied by the company make clear that the company had an online presence which the customer could consult.

13. Additionally, the customer says that in 2014, the company should have spotted that the customer was being charged high water bills at the point when he contacted it to ask for his direct debit payments to be taken from another account. I find, however, that the context of this call concerned payment arrangements and an average customer would not reasonably expect that the company should direct an enquiry about financial matters into one about whether the customer was on the best possible tariff.

14. Accordingly, I find that the customer has not proved that the company fell below the standard that would reasonably be expected in relation to its communications of its metered water option.

15. The company says, and I accept, that it has a statutory right to impose charges for the supply of its services in accordance with its published charges scheme. In the absence of an application by the customer to switch from unmetered to metered water I find that the company was entitled to charge the customer for water in accordance with its published Scheme of Charges, which includes that customers who have not applied for a water meter will be charged by reference to the rateable value of the property. There is no evidence that the charges that the company raised against the customer were not in accordance with that Scheme. I am mindful that reference to the rateable value is a commonly used benchmark by water undertakers and I find that an average customer would expect the company to impose charges in accordance with the published Scheme. As, therefore, the customer had not applied for the installation of a water meter before 8 October 2019, I find that the company did not fail to supply its services to the expected standard in charging in calculating the charges on the basis of the rateable value up to the date of the customer's application for a different charging basis.

16. As for the company's response to the customer's complaint, I note that on 1 October 2019 the customer, in the context of a conversation about another property, queried the level of charges raised for his home address. The company advised the customer that he may be better off on a metered tariff. During the call on 1 October 2019 the customer complained that he had not previously been informed about the possibility of free meter fitting and the company advised that that this had been referred to in his bill and in the promotional email in 2015. As the customer continued to express concern about the level of communication, the company agreed on 14 October 2021 to backdate estimated metered charges for a period of 12 months prior to the meter installation date. As a further goodwill gesture when the company called the customer again on 17 October 2019 it agreed to waive the usual external installation charge (the free installation offer being restricted only to the fitting of internal meters).

17. The company says that on 20 January 2020 the customer told the company that he would like to check his consumption over 12 months to see how much he could have saved, then wished the company to review his account again. The company says that it agreed to keep the goodwill gesture to backdate 12 months of estimated metered charges and that this would be assessed at a further review. I find that the internal records show that the company did not make a promise for a goodwill payment for a longer period than 12 months, but there was an uncertainty initially as to what the difference would be between the customer's usage of metered water and the cost of water calculated by reference to the rateable value. The company contacted the customer after a couple of months as promised, and it is clear from the company's internal records that it was anxious to set the customer's payment plan at a correct level as well as to calculate the amount of the

12-month rebate. The customer then rang the company on 30 September 2020. The records show that the company continued to point to the steps taken to alert the customer to the meter scheme and confirmed that it had not received any contact from him about metering until October 2019.

18. It is clear from the company's internal records that it did then review whether the customer was entitled to receive a further goodwill gesture. On 21 November 2020, however, the company advised the customer that metered charges and standing charges for the period 23 October 2018 – 22 September 2019 would be £324.63 based on the daily average usage of 0.19m³, and for the same period the customer paid charges of £1,015.73. The company agreed to send a BACS payment of £720.00 which included compensation for failing to call him back.

19. I find that, as the customer has not proved that the company took insufficient steps to notify the customer of the availability of metering, and therefore has not proved that the company fell below expected service standards, he also has not proved that he is entitled to compensation or other remedy. Notwithstanding this, the company has offered the customer a substantial gesture of goodwill. Even though the company was not prepared to review this again in a second year when the effects of the metering became known, I find that in the above circumstances, the company would not reasonably be expected to offer any further payment or gesture to the customer.

20. As I have not found that the company fell below the expected standards, I therefore do not direct that the company should offer the customer any further remedy.

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.

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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Claire Andrews
Adjudicator