

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-XX73

Date of Decision: 07/06/2021

Party Details

Customer: "The Customer"

Company: "The Company"

Complaint

The customer has a dispute with the company regarding the rejection of his application for a leak allowance. The customer says the wholesaler installed a new meter and shortly afterwards a leak occurred that caused a spike in his consumption. The customer contends that the leak was caused by the installation of the meter, and he claimed for a leak allowance to cover the cost of the increased consumption. The customer says the company declines to award an allowance because the wholesaler denies responsibility. The customer claims 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 be directed to adjust his bills to reduce charges.

Response

The company states that it is not responsible for granting leak allowances, as this responsibility rests with the water wholesaler. The company states it has taken all reasonable steps to have the wholesaler grant an allowance but without success. The company has not made any offer of settlement to the customer and is not able to agree to his request.

Findings

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



The company does not need to take further action.

The customer must reply by 05/07/2021 to accept or reject this decision.

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-XXXX

Date of Decision: 07/06/2021

Case Outline

The customer's complaint is that:

• He has experienced an ongoing dispute with the company concerning problems with billing on his account. The customer says that he identified a surge in consumption due to a water leak, and he believes the leak was caused by the wholesaler when installing a new meter. Despite the customer's recent communications with the company, and the involvement of CCWater, the dispute has not been settled. • On 16 March 2018 the wholesaler installed a new water meter. • The supply pipe between the meter and his premises remained unchanged, the installation of the meter being the only new connection to the pipe. The customer notes that the pipe had been installed twenty-six years previously. • In the summer of 2019, he observed water bubbling up out of the ground close to his property, and approximately one to two metres away from the location of the new meter. The customer records that a leak was identified and repaired within forty-eight hours. • The leak caused a spike in his water consumption. Based on meter readings for the previous three to four years, he estimated an annual consumption of some 95M3. • When the meter was read on 08 August 2019 the reading showed that annual consumption had increased dramatically to approximately 2,000M3. • The subsequent reading taken on 04 May 2020 showed that consumption had returned to more historic levels at 85M3. • Because the pipe had lain undisturbed for twenty-six years and the leak appeared soon after the installation of the new meter the customer believes the fitting of the meter caused the leak. • He referred to the company over the issue who in turn approached the wholesaler, who were responsible for installing the new meter. The customer says that the wholesaler advised the company that the customer had not provided any evidence to support his claim and therefore it would not grant a leak allowance to cover the cost of the consumption spike. • He disagrees with the position of the wholesaler because he has never seen a report from either the wholesaler or its sub-contractor that installed the meter that post-installation checks were undertaken to ensure the new fitting was sealed and watertight. • Believing the company had not properly addressed his concerns the customer, on 21 October 2020, escalated his complaint to CCWater who took up the dispute 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. • He acknowledges that CCWater were involved in much correspondence with the company and the wholesaler. The company provided a detailed response to CCWater on 26 January 2021 in which it confirmed that the

wholesaler continued to refuse to grant a leak allowance. The company confirmed that it was prepared to offer the customer a ten-month payment plan to assist in paying off the bill that was in excess of £4,300. Consequently, on 28 January 2021, CCWater informed him that it believed the company has not managed to have the wholesaler change its position and it will not agree to allow the payment of a leak allowance. CCWater confirmed that it could not take any further steps to alter the position of the company and was closing his complaint. • 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 23 March 2021, referred the matter to the WATRS Scheme where he requests that the company be directed to adjust the charges levied in respect of the spike in consumption.

The company's response is that:

• It provided its response to the claim on 05 May 2021. • It believes the customer has directed his complaint to the wholesaler and not to the company. • It will not grant a leak allowance without prior authority from the wholesaler. • The wholesaler has stated that there is no supporting evidence from the customer that the wholesaler caused the leak when installing a new meter. • The wholesaler also notes that its sub-contractor installed the meter in an already open excavation. Similarly, it did not backfill the excavation upon completion of the meter installation. • The wholesaler also records that the sub-contractor carried out a visual inspection upon completion to ensure the meter was functioning correctly and as such would have identified any water leakage at or around the new unit. The wholesaler stated that it is not the practise of the sub-contractor to complete formal work reports upon finishing an activity. • The wholesaler further states that the customer's private third-party contractor would likely have identified any leak at the meter prior to backfilling the excavation. • It believes that it did everything possible to assist the customer and it represented him in the leak allowance application procedure with the wholesaler. However, it notes that it has no authority to intervene in the wholesaler's procedures. The customer's comments on the company's response are that: • On 19 May 2021, the customer submitted detailed comments on the company's response paper. I shall not repeat word for word the customer's comments and in accordance with Rule 5.4.3 of the Rules of the WATRS Scheme I shall disregard any new matters or evidence introduced. • The customer believes the retailer and wholesaler are passing the responsibility for the water leak to each other. The customer notes the contention that the wholesaler's sub-contractor does not provide work completion reports yet he is being denied an allowance because he cannot provide evidence to show the meter installation caused the subsequent leak. The customer reiterates his belief that the fitting of a new meter to a pipe that was undisturbed for twenty-six years was the cause of the leak located 1.8 metres away from the meter. • After the customer's comments on the company's Response, the company entered two further submissions, dated 24 and 25 May 2021. Under Rule

5.4.4 of the Rules of the WATRS Scheme I will not take these submissions into consideration because the customer has not had the opportunity to respond to them.

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 dispute relates to the customer's dissatisfaction that he has been denied a leak allowance to cover the cost of a spike in consumption following installation of a new water meter by the wholesaler.
2. I note that the WATRS adjudication scheme is an evidence-based process, and that for the customer's claim to be successful, the evidence should 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 claim made by the customer. The retailer is "**The Company**" Ltd and the wholesaler is "**The Wholesaler**" Ltd. In this WATRS adjudication decision, "**The Company**" Ltd 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 and sewerage networks and the retailer handles account management, billing, customer service etc. The wholesaler bills the retailer in bulk for the water consumed/collected 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/sewage collection and maintenance of the water supply/collection network. This also means that the wholesaler sets out its other procedures such as leak allowances, refunds, bill adjustments, etc.

6. The retailer does not set tariffs nor grant rebates, allowances, or bill adjustments 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 customer's property is classified as a business and therefore he is a customer of the company and not the wholesaler. The customer receives water services from the wholesaler, but the company issues a bill to the customer.

8. The parties agree that a new water meter was installed on the supply pipe to the customer's property by the wholesaler through a sub-contractor. The meter was installed on 16 March 2018.

9. From the evidence supplied by the parties, I can see that the customer had requested the new meter to enable increased water flow to his premises.

10. The customer had arranged a private third-party to undertake the supply and installation of a new supply pipe to match the increase in the size of the meter. Thus, the sub-contractor did not need to excavate or backfill the chamber area, he simply installed the meter.

11. The sub-contractor of the wholesaler states it is not its custom and practise to complete work record sheets after such an installation. However, it says that a visual inspection after the installation showed the meter to be correctly fitted and without obvious leakage.

12. I note that the customer's private third-party backfilled the excavation after completing the supply pipe installation and did not report any leakage at the meter.

13. The leakage was detected some months later in the summer of 2019 after water was identified collecting on the surface some 1.8 metres from the location of the meter.

14. The leakage caused a spike in the customer's consumption. The customer acknowledges that consumption returned to average levels following his repair of the leaking pipe. The customer, believing the work of the sub-contractor caused the leak, has claimed a leak allowance to cover the increased costs.

15. I can see that CCWater has stated the wholesaler has on three separate occasions denied approving a leak allowance, primarily on the basis that the customer has not supplied sufficient evidence to support his claim.

16. As I have described above, the retailer does not grant leak allowances, and is obliged in its customer facing role to manage administrative dealings and provide customer services. Thus, in this role, it is the responsibility of the company to liaise with the wholesaler on behalf of the customer.

17. I note that the company referred the issue back to the wholesaler on several occasions, the Timeline of Events submitted by the company shows that it approached the wholesaler on :-

4 May 2020

19 August 2020

11 September 2020

22 January 2021

18. On all occasions the wholesaler would not sanction a leak allowance. I am satisfied that the company made a reasonable effort to have the wholesaler consider an allowance but without success.

19. From my examination of the evidence submitted to me by the parties, I am satisfied that the company has acted reasonably on behalf of the customer in its dealings with the wholesaler and in attempting to secure a leak allowance on his account. As the customer's complaint is against the company and not the wholesaler, I am not able to direct that the customer receives a leak allowance as he has requested.

20. I note that the customer has also requested that should a leak allowance not be forthcoming then the company be directed to provide an adjustment to his bill to reduce the charges. On the evidence submitted I do not find it reasonable that the company be directed to compensate the customer for an event that is outside its control or responsibility. As I have noted earlier, the company will be charged by the wholesaler for the water passing through the customer's meter because the wholesaler has not granted an allowance. I shall not penalise the company for a matter outside of its control, and thus I shall not direct that it adjusts the customer's bill.

21. 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 May 2021.
- The company confirmed its acceptance of the Preliminary Decision on 04 June 2021.
- The customer did not submit comments on the Preliminary Decision.

Outcome

1. The company does not need to take 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.

- 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.

Peter Sansom
Adjudicator