

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

**Adjudication Reference:** WAT-X389

**Date of Decision:** 13/08/2021

#### Party Details

**Customer:**

**Company:**

**Customer's Representative:**

#### Complaint

The customer claims that the company has failed to recalculate its surface water charges to reflect land ownership change from 28 November 2018. The customer is seeking the company to recalculate its surface water drainages charge to reflect the change in ownership on 28 November 2018 rather than six months before the wholesaler was made aware of any changes.

#### Response

The company submits that it must abide by the wholesaler's scheme of charges, policies, and processes as a retailer. Accordingly, the company can only reverse charges in line with the wholesaler's policy, which is six months before it was made aware of the changes to the customer's site in February 2020. The company's responsibility is to challenge the wholesaler on behalf of the customer, which it has done. The company admits some delay in resolving the band change and has applied an out of policy allowance of £5,270.33 to the customer's account as a goodwill gesture. The company has not made any offers of settlement.

#### Findings

I find the customer has proven the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning notifying the wholesaler of the change in the customer's business. I find that the company's additional out of policy allowance of £5,270.20 adequately compensates the customer for this failure. However, I find that there have been failures in the customer service which the customer has not been adequately compensated.

#### Outcom

The company shall pay the customer the sum of £100.00.

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The customer must reply by 13/09/2021 to accept or reject this decision.

# ADJUDICATOR'S FINAL DECISION SUMMARY

**Adjudication Reference:** WAT-X389

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## Case Outline

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

• The company has failed to recalculate its surface water charges to reflect the land ownership change from 28 November 2018. • The customer is seeking the company to recalculate its surface water drainages charge site area band reduction from 10 to 9 to reflect the change in ownership on 28 November 2018 rather than six months before the wholesaler was made aware of the changes.

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

• As a retailer, it must abide by the wholesaler's scheme of charges, policies and processes. • Accordingly, the company can only reverse charges in line with the wholesaler's policy, which is six months before it was made aware of the changes to the customer's site in February 2020. • The company's responsibility is to challenge the wholesaler on behalf of the customer, which it has done. • The company admits some delay in resolving the band change and has applied a further out of policy allowance of £5,270.33 to the customer's account as a goodwill gesture.

## 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. 1. The dispute centres on whether the company should recalculate its surface water charges to reflect the change in ownership on 28 November 2018.
2. The company must meet the standards set out in OFWAT's Charges Scheme Rules and the Water Industry Act 1991.
3. The company also has certain obligations regarding its customer services as set out in OFWAT's Guaranteed Standards Scheme and the company's own Guarantee Standards Scheme (GSS).
4. Since April 2017, a non-household customer only has a relationship with the company, not the wholesaler. Therefore, if a non-household customer has an issue with their water supply or sewerage services, they have to approach the company, which is responsible for chasing the wholesaler and trying to resolve the matter. Accordingly, all parties must bear in mind that I cannot find the company liable for something that only the wholesaler is responsible for within this decision.
5. The evidence shows that on 15 October 2019, the company received an application for a reduction of Surface Water Highway Drainage from Cranford and Summer Ltd. I understand that there was no Letter of Authority to enable the company to discuss the customer's account with Cranford and Summer Ltd.
6. On 23 October 2019, the company responded to Cranford and Summer Ltd, advising them it would need a Letter of Authority to deal with the Surface Water Highway Drainage application. After a response from Cranford and Summer Ltd, it was explained that under OFWAT's guidelines, a Letter of Authority must be provided by the account holder, in this case the customer. On 30 October 2019, the company received a Letter of Authority as a standalone piece of correspondence, and this was attached to the account for future reference. I understand that there was no reference to the previous Surface Water Highway Drainage email application.
7. On 06 February 2020, the company received an email from Cranford and Summer Ltd chasing its Surface Water Highway Drainage email application. Further correspondence then took place between the parties as for the Surface Water Highway Drainage application to be actioned, the company first needed an application for the disconnection of the existing meter.
8. I understand that on 7 April 2020, the company responded to Cranford and Summer Ltd, stating that an incorrect application form had been submitted and the correct form would need to be completed. On 20 April 2020, the company confirmed to Cranford and Summer Ltd that the application had been submitted to the wholesaler, and a response by the wholesaler would be due by 19 May 2020.

9. The evidence shows that the wholesaler requested further information on 19 May 2020, which was supplied by the company on 19 May 2020. On 11 June 2020, the company contacted Cranford and Summer Ltd to advise them that it was still waiting for the wholesaler's decision.

10. On 12 June 2020, the wholesaler responded, stating that its investigations had resulted in the decrease in REDACTED This decrease would be applied from 20 October 2019, six months before the receipt of the customer's claim in line with its current Site Area retrospective adjustment policy.

11. The evidence shows that on 22 June 2020, Cranford and Summer Ltd contacted the company to express dissatisfaction regarding the wholesaler's decision to backdate the charges to 20 October 2019. On 6 July 2020, the company responded, explaining the wholesaler's policy to backdate six months before the application was received.

12. Between 6 July 2020 and October 2020, various discussions took place between the parties, and in November 2020, the dispute was also progressed to CCWater to resolve without success. The wholesaler maintained its position only to consider backdating six months from the date the application was received. The customer remained unhappy with the outcome, and on 1 April 2020, commenced the WATRS adjudication process.

13. Concerning the customer's comments, that the surface water drainage charges should be backdated to reflect the change in ownership on 28 November 2018, I note the customer's comments that despite the form being received by the wholesaler in April 2020, it was sent to the company in October 2019. However, I note that the company in October 2019 was initially unable to request a Surface Water Highway banding review because Cranford and Summer Ltd made the application which at the time had no authority to deal with the account. I understand that when the appropriate Letter of Authority was received on 30 October 2019, this was forwarded as a standalone piece of correspondence, but no reference was made to the previous Surface Water Highway Drainage application.

14. The evidence shows that then there was a delay until Cranford and Summer Ltd chased the Surface Water Highway Drainage application on 6 February 2020. This was then followed by a further delay due to the company's misunderstanding that the customer's meter required disconnecting before the requested Surface Water Highway review. This delay led to the wholesaler not being notified until April 2020 that the customer needed the site reassessed. In this respect, I find that the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning notifying the wholesaler

promptly of the change in the customer's business.

15. I note Cranford and Summer's comments that the company and wholesaler simply needed to apply the policy as written because it clearly caters for the circumstances in this case. However, on review of the extract of the policy provided, it states, "Where a change to a surface water connection is made during a charging year the reduction will be applied from the date of the change". If the wholesaler simply applied the policy as written, the reduction in the charging band would only be effective from 1 April 2020, as it had been informed on 20 April 2020.

16. I also note Cranford and Summer's comments that the company has double charged its other customers if it refuses to backdate the charges to 28 November 2018. However, I find that the issue of double charging third parties falls outside the scope of this adjudication and has no bearing on whether the company should backdate the customer's charges to 28 November 2018.

17. It is the customer's responsibility to advise the company of any change in its business, and the evidence shows that the company was not notified until February 2020, and the wholesaler was not notified until April 2020 that the customer required the site to be reassessed.? Whilst I sympathise with the customer's view, I find that until the wholesaler had been notified that the company had received the site reassessment form, they could not be expected to know the customer's changed circumstances. Accordingly, the customer's claim that the surface water drainage charges should be backdated to reflect the change in ownership on 28 November 2018 does not succeed.

18. On careful review of all the evidence, I am satisfied with the company's position that, in line with the wholesaler policy, it will only backdate the charges to six months before when it was made aware of the changes to the customer's site. The company, within its response, states it must abide by the wholesaler's scheme of charges, policies and processes, to which I agree. On reviewing the various correspondence put forward in evidence, I find that the company has fulfilled its duty to the customer by challenging the wholesaler on its decision. Therefore, I find there are no grounds to conclude the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning challenging the wholesaler on its decision.

19. However, I note that the customer was granted an out of policy allowance of £5,270.20 due to the company's misunderstanding that the customer's meter must be disconnected. The out of policy allowance was granted as the wholesaler should have been at the latest notified in February 2020 when the company received the call from Cranford and Summer Ltd. As the wholesaler had granted an

allowance back to 20 October 2019, the out of policy allowance extended this to July 2019.

20. As evidenced by the timeline within the company's defence documents, I am satisfied that by the end of the company's dialogue with the customer, the company had adequately explained why the wholesaler would not backdate the charges further than six months before when it was made aware of the changes to the customer's site. This is shown by the correspondence put forward by the customer and company as evidence. After careful review of all the correspondence provided in evidence, I am also satisfied that the company's out of policy allowance of £5,270.20 was fair and reasonable in the circumstances to cover the delay in notifying the wholesaler of the change in the customer's business.

21. The customer's representative has made comments on the Preliminary Decision concerning when the original application was received and the correct effective date to backdate the revised lower charge. The customer's representative states that the company did not inform it that the form had been rejected and the company would not process it. However, on review of the evidence and comments made to the Preliminary Decision, I find it reasonable for the company to reject the original application as at that time no letter of authority was in place. However, I agree that the company should have notified the customer that a new application form was required to be submitted once a letter of authority was in place and I find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this respect. However, I find the customer's requested redress to be disproportionate to the company's failure to notify the customer's representative that a new application form was required or that it would need to be further actioned once a letter of authority was in place. On careful review of all the evidence, I am satisfied this failure falls within tier 1 and a more appropriate sum would be £100.00. Considering this, I find that the sum of £100.00 adequately compensates the customer for any customer service failures and the inconvenience and distress incurred.

22. In light of the above, I find the customer has proven the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning notifying the wholesaler of the change in the customer's business. I find that the company's additional out of policy allowance of £5,270.20 adequately compensates the customer for this failure. However, I find that there have been failures in customer service for which the customer has not been adequately compensated.

## Outcome

1. The company shall pay the customer the sum of £100.00.

## 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.

- If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date in 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.

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**Mark Ledger**  
**Adjudicator**