

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/X623

Date of Decision: 10 November 2021

Party Details

Customer:

Company:

Complaint

The customer has a dispute with the company regarding the level of customer service he received after querying a higher-than-average bill. The customer says he received a high bill and requested that the company provide an explanation and copies of all meter readings. The customer contends that his complaint was not taken seriously, and the company was slow to respond to him and slow to provide the requested information. 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 provide meter readings, an explanation for its delayed responses, an apology, and pay him compensation.

Response

The company acknowledges certain customer service failures but notes that it has made compensatory payments. The company says that the high bill is a "catch-up" calculation as it had previously been undercharging the customer because of a lack of physical meter readings caused by the pandemic restrictions. The company has not made any offer of settlement to the customer but records that it is willing to make an additional goodwill payment of £140.00.

Preliminary Findings

The claim succeeds in part. I find that the evidence does support on a balance of probabilities that the company had customer service failings in its management of the account and that its actions contributed to the inconvenience experienced by the customer. Overall, I find that the company has failed to provide its services to a reasonable level and has failed to manage the account to the level to be reasonably expected by the average person.

Preliminary Outcome

The company shall pay the customer the amount of £130.00 in compensation for inconvenience and issue an apology.

The customer must reply by 08 December 2021 to accept or reject this decision.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

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Case Outline

The customer's complaint is that:

- He has experienced an ongoing dispute with the company concerning issues with billing, metering, and water supply services. Despite the customer's recent communications with the company, and the involvement of CCWater, the dispute has not been settled.
- He represents an educational trust that is responsible for two schools. Each school has its own separate account with the company.
- The two schools had a positive combined credit balance on the accounts and thus had no liability to the company.
- In September 2020 he identified that the company had not provided invoices in respect of one of the accounts and he contacted the company to request to be sent invoices. The customer asserts that the company did not respond to his request.
- The company proceeded to contact him over an unpaid balance and that he wrote again to it on 16 October 2020 asking for clarification.
- On 22 October 2020 the company responded and stated that failure to clear the outstanding balance would result in it passing the account to a debt collection agency. The customer says he immediately contacted the company by telephone and was advised that the account would not be passed to debt collectors and copies of the invoices would be sent to him.
- On 05 November 2020 he received notice from a debt collection agency that the company had passed his account to it and immediately on the same day he raised a formal complaint with the company.
- On 10 November 2020 he received a generic and totally unsatisfactory response to his complaint and thus escalated it to a Stage 2 complaint.

- The company issued an invoice in respect of one of the accounts in the amount of £19,843.15.
- Upon querying the high balance, he was advised that the school had been previously undercharged because of underestimated meter readings.
- He is unhappy that the company did not give him an earlier warning of such a high bill and not simply provide an invoice after he had spent much time requesting to be given such invoice. The customer states that he believes the company had not taken his complaint seriously, has not provided meter readings nor substantiated the account balances.
- He confirms the location of the meters is such that he is not able to gain access to them to take his own readings.
- The company has prevented him from terminating his contract and changing to an alternative retailer.
- Believing the company had not properly addressed his concerns he, on 01 December 2020, escalated his complaint to CCWater who took up the dispute with the company on his behalf. The records show that CCWater contacted the company on 26 January 2021 and requested more detailed information from it and to review the customer service provided.
- A series of communications was exchanged between the stakeholders because he, as the customer, remained unhappy with the answers of the company. The customer confirms that he provided additional documents in support of his claim and undertook a leak test in March 2021, and no leakage was identified.
- Subsequently, on 01 September 2021 CCWater advised him that it had received a formal response from the company answering in reasonable detail the questions posed to it. The company had confirmed that it had not changed its position from that set down in its previous letter to the customer dated 14 January 2021. CCWater also informed him that it could not take any further action to have the company change its position and was therefore closing his complaint.
- The customer remains dissatisfied with the response of the company and has, on 22 September 2021, referred the matter to the WATRS Scheme where he requests that the

company be directed to (i) provide meter readings, (ii) refrain from passing the account to a debt collection agency, (iii) permit him to change retailer, (iv) issue an apology, and (v) pay compensation in the sum of £3,300.00.

The company's response is that:

- It provided its response to the claim in its submission dated 24 September 2021.
- The customer first contacted it on 03 November 2020 to query why fees had been added to the invoices. It was established that the invoice for one of the customer's accounts had not been received and would be sent again, and upon issuing it the fees would be removed.
- Also on 03 November 2020, the customer complained that the account had been passed to a debt collection agency, and 05 November 2020 the account was recalled from the agency.
- During various contacts throughout November 2020 the customer raised several complaints in respect of not receiving a response to his claim, receiving a higher-than-normal bill, and having his account passed to debt collectors.
- On 14 January 2021 it sent the customer a detailed reply answering all the issues he had raised and confirming the payment of a goodwill gesture in the amount of £120.00.
- On 26 January 2021 it received contact from CCWater advising that it had accepted an escalated complaint from the customer.
- It advised CCWater that it had taken physical readings on both meters in October 2020 and made two further attempts to read the meters since then, but the readings are inadmissible because they are showing lower than October 2020. It confirmed that it had requested the wholesaler to check the two meters to ascertain their status, and to have it take photographs of the readings.
- In summary it states that it believes its stage 2 response was substantive and notes that compensation has been paid for the slow response time. It further states that it believes a further compensation payment in the amount of £140.00 is appropriate.

- It has placed both accounts on hold until the situation with the meters has been finalised by the wholesaler.

The customer's comments on the company's response are that:

- On 07 October 2021, the customer submitted 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 says that the invoice dated 27 October 2021 (2020?) was not received until 03 November 2020. He reiterates that he believes the account was passed to a debt collection agency in haste and repeats that the company has never responded in reasonable time either to himself or CCWater. The customer further contends that he was not previously made aware of the role played by the wholesaler.

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 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 the company has provided a poor level of customer service in respect of the late issuing of invoices, in passing his account to debt collectors, and in not substantiating the issuing of a higher than usual bill.
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.
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 (including the installation and maintenance of meters), and the retailer handles account management, billing, customer service etc.
5. Following the opening of the business water market on 01 April 2017 the wholesaler is responsible for the maintenance of the water supply/collection network and is permitted to set the tariffs for water delivery/sewage collection. This also means that the wholesaler sets out its other procedures such as leak allowances, refunds, bill adjustments, etc.
6. The retailer does not install or maintain meters. It is obliged in its customer facing role to manage administrative dealings such as passing meter installation requests to the wholesaler, 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.
8. I am aware that the customer has supplied a large body of evidence in support of his claim.

9. From my examination of this evidence, I take note that the company issued an invoice dated 27 October 2020 in respect of one of the customer's accounts. The invoice was for the period 25 September 2020 to 23 October 2020 and in the amount of £20,756.37. I am provided with a copy of this invoice.
10. The customer has disputed this invoice. I note that he has undertaken a self-administered leak detection test and states that no leak was identified. I further note that the company has stated that the invoice is high in value due to a previous underestimation of consumption because of undervalued estimated readings.
11. My study of the October 2020 invoice shows that estimated readings were used on 25 September 2020, but an actual physical reading was taken on 15 October 2020. I am satisfied that this supports the company's contention that the invoice is a "catch-up" calculation for the underestimated previous invoices.
12. The customer has complained that he has not been provided with meter readings on either account, and has requested in his WATRS application that the company be directed to supply this data. I note that the company has uploaded onto the WATRS portal meter readings for both accounts for the period from September/October 2016 to August 2021 and as the customer is able to access these files, I find no benefit in directing the company to supply them directly to the customer.
13. The second remedy requested by the customer is to have the company directed to hold off on passing his account to a debt collection agency until such time as he has received the meter readings. As the readings are now available to him, I find that it is not appropriate for me to direct the company to stay any referral to its debt collection agency should the situation progress to the point where its collection procedures are triggered.
14. The customer's third requested remedy is to have the company permit him to close his account with it and move to an alternative retailer. I am aware of comments referring to this situation as contained in the CCWater documents, but I note that the customer has not provided me with any evidence in respect of his application to a new retailer or of any documentation showing the company declining to close his account. I am not satisfied that the evidence shows on balance that the company has acted in an incorrect or unreasonable manner. I shall not direct the company regarding the customer's wish to close his account with it.

15. I note that the customer has expressed his unhappiness that the meters at the school premises were not read more frequently and has stated that the meters are located in positions not easily and safely accessible by his staff. I can see that the company has explained that its meter reading functions were negatively impacted by the pandemic and associated restrictions.
16. I further take note that the company has passed on to the wholesaler the customer's concerns over the location, accessibility, and functioning of the meters. The meters are assets of the wholesaler, and as I have noted above, the responsibility for the operation and maintenance of meters rests with the wholesaler and not the retailer. I can see that the company has stated it is awaiting feedback from the wholesaler.
17. In his application to WATRS the customer requests that the company be directed to pay him the sum of £3,300.00 in compensation, split into three heads of claim. These are, (i) £800.00 for time spent dealing with the company over the disputed invoice; (ii) £500.00 for distress and inconvenience; and (iii) £2,000.00 as a reasonable nominal goodwill payment.
18. In respect of head of claim (i), I note that the Terms and Conditions applicable to the customer's account state at article 14.4 :-

we are not legally responsible to you for any loss of profits, loss of income, loss of business, loss of water, defective quality of water or any loss or damage, that is not directly caused by us, or which we could not reasonably expect to arise at the time we entered into the Contract with you.

19. I find that in terms of Article 14.4 time spent by the customer dealing with the company is not compensable. Thus, I shall not direct that the company pay the compensation requested by the customer for the loss of his time in dealing with the company.
20. The second head of claim is in respect of distress and inconvenience. The Scheme does not permit the awarding of compensation for distress in respect of business customers. However, I note that the company has acknowledged customer service failings in respect of lack of regular updates, limited explanations of account issues raised and delays in having the two accounts billed up to date. I am thus satisfied that these failings on the part of the company contributed to any inconvenience experienced by the customer, and it follows that I find compensation is appropriate.

21. I refer to the *WATRS Guide to Compensation for Inconvenience and Distress* and I am content to grade the customer service failings at Tier 2 level and I find the amount of £250.00 to be reasonable compensation for the inconvenience experienced. However, I note that the company has already made a goodwill payment of £120.00 and thus I direct the company to make a further payment in the sum of £130.00.

22. The customer further requests that the company be directed to pay him the amount of £2,000.00 as a reasonable nominal goodwill payment. I find that such a payment is a business decision for the company to make in respect of its position on customer care and customer retention. I shall not direct the company to make such payment.

23. Additionally, I note that a dictionary definition of “goodwill payment” states :-

A payment made by a company to a customer who has experienced a problem with its products in order to try to keep the customer

24. I take note of the customer’s expressed desire and intention to change his retailer.

25. The customer has also requested that the company issue an apology. As the company has acknowledged certain customer service failings, I find an apology is appropriate and direct that the company shall have an authorised representative issue a written apology to the customer for the level of customer service provided.

26. The customer has further requested that the company provide an explanation for its lack of responses throughout the complaint handling procedure. I am satisfied that the company’s letter to the customer dated 14 January 2021 is a detailed explanation of the timeline of events. I shall not direct the company to provide an additional explanation.

27. My conclusion on the main issues is that the company has failed to provide its services to a standard to be reasonably expected by the average person in respect of the overall level of customer service provided.

The Preliminary Decision

- The Preliminary Decision was issued to the parties on 27 October 2021.
- The customer has submitted comments on the Preliminary Decision also on 27 October 2021.

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- The customer refers to Paragraph 12 of the Preliminary Decision and queries whether the meter readings are estimated or physical. As I noted in the Preliminary Decision the company has uploaded to the WATRS portal detailed spreadsheets of all meter readings and I am satisfied that these show the type of reading used.
- Having read the comments of the customer I am satisfied that no amendments are required to the Preliminary Decision.

Outcome

The company shall pay the customer the sum of £130.00 in compensation and issue an apology.



Peter R Sansom
MSc (Law); FCI Arb; FAArb; FRICS;

Adjudicator