

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X685

Date of Final Decision: 17 December 2021

Party Details

Customer:

Company:

Complaint

The customer claims that the company has failed to maintain and repair the pipework surrounding her property, which has led to an increase in her bills, defaults on her credit report and contamination of her water supply. The customer is seeking the company to remove the credit markers on her file and reduce her outstanding balance.

Response

The company says until June 2021, no leak had been identified at the customer's property. The customer has received a leakage allowance for the period 22 April 2020 to 17 June 2021, and as a gesture of goodwill, a further discretionary leakage allowance was granted to cover the period from which the customer occupied the property to 31 July 2016. Furthermore, as the customer has a non-standard payment arrangement and this does not cover the balance and ongoing charges, the company is entitled to report this according to its policy set out in its Charges Scheme. The markers on the customer's account were correctly reported, and the company cannot remove them. Concerning the alleged contamination of the water supply, water samples have been taken and found to be free from defects, and the cloudiness was due to air within the water. The company has not made any offers of settlement.

Findings

I am satisfied the evidence points to the fact the company did not fail to provide its services to the customer to the standard to be reasonably expected concerning identifying and repairing any leaks, and its debt recovery process.

Outcome

The company needs to take no further action.

The customer must reply by 11 January 2022 to accept or reject this decision

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ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT-X685

Date of Final Decision: 17 December 2021

Case Outline

The customer's complaint is that:

- The company has failed to maintain and repair the pipework surrounding her property within a reasonable period, which has led to an increase in her bills, defaults on her credit report and contamination of her water supply.
- The customer is seeking the company to remove the credit markers on her file and reduce her outstanding balance.

The company's response is that:

- Until June 2021, no leak had been identified at the customer's property.
- The customer has received a leakage allowance for the period 22 April 2020 to 17 June 2021, and as a gesture of goodwill, a further discretionary leakage allowance was granted to cover the period from which the customer occupied the property to 31 July 2016.
- Furthermore, as the customer's non-standard payment arrangement does not cover the balance and ongoing charges, the company is entitled to report this according to its policy set out in its Charges Scheme. The markers on the customer's account were correctly reported, and the company cannot remove them.
- Concerning the alleged contamination of the water supply, water samples have been taken and found to be free from defects, and the cloudiness was due to air within the water.

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.

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2. Whether or not the customer has suffered any financial loss or another disadvantage as a result of a failure 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 centres on whether the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning investigating and repairing the leaks surrounding the customer's property which have led to an increase in charges.
2. The company must meet the standards set out in the Water Industry Act 1991 and the Water Supply and Sewerage Services (Customer Service Standards) Regulations 2008. The combined effect of these is to place an obligation on a water and sewerage company that, when there is a leak report, the company needs to thoroughly investigate if the company's pipework is to blame and if repairs are required to make such repairs to prevent further leaks.
3. Furthermore, the company also has certain obligations regarding its customer services as set out in the OFWAT Guaranteed Standards Scheme and its Customer Guarantee Scheme.
4. From the evidence put forward by the customer and the company, I understand that on 2 August 2013, the customer reported concerns regarding her water being cloudy. On 7 August 2013, the company attended the customer's property, and water samples were taken to check for any issues. The evidence shows that the water was found to be free from defects, and the cloudiness of the water was suspected to be the result of air in the water.
5. On 1 August 2014, the customer set up a direct debit at £15.00 per month. As this was insufficient to clear the customer's charges before the next invoice was raised, the company put the customer on an instalment plan. On 6 October 2017, the company sent a reminder letter to the customer that her payments were not enough to cover her bills and that the outstanding balance may affect

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her credit rating. This was then followed by other letters on 8 October 2018, 5 September 2019 and 6 October 2020.

6. On 7 July 2020, the customer contacted the company to report a leak. The evidence shows that on 8 July 2020, the company visited the customer's property and found surface water within the metering chamber. However, no leak was identified.
7. On 3 June 2021, the company attended a neighbouring property and subsequently identified a leak at the customer property, which I understand was repaired the same day. Following this, on 5 July 2021, the company, based on two check meter readings, granted a discretionary leakage allowance of £128.13 for the period 22 April 2020 to 17 June 2021. Then, on 19 September 2021, as a goodwill gesture, the company granted a further discretionary leakage allowance of £188.15 to cover the period from 11 May 2012 to 31 July 2016. This additional allowance was based on the customer's consumption at the time compared with the consumption recorded during that period.
8. Regarding whether the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning investigating and repairing the leaks surrounding the customer's property, the evidence shows that once the company identified a leak, it was promptly fixed. The company has provided the customer with two leakage allowances which, in my view, have adequately compensated the customer for any leaks between 2012 and 2021. Therefore, I find that it has not been proven that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning investigating and repairing the leaks surrounding the customer's property or adequately compensating the customer once a leak was found.
9. Concerning whether the customer has had adverse reporting on her credit file because of increased bills, Section 143 of the Water Industry Act 1991 gives the company the power to set a Charges Scheme. Where an invoice has not been paid, in line with the company's Charges Scheme, a debt recovery process is in place for all customers.
10. In this instance, the customer had a non-standard payment arrangement with the company set at a lower amount to spread the cost of invoices over a more extended period of time. As this non-standard payment arrangement does not cover the balance and ongoing charges, this is reported negatively. The company states that the way the credit agency's report works is to show the age

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of the oldest outstanding debt. The status is also accompanied by the letter 'A' to show that an active arrangement is in place and that payments are being made each month, but outside of the company's payment terms.

11. The evidence shows that except for June 2021, each month was reported with an 'A' flag to the credit agencies to show that an active arrangement was in place. In June 2021, the company reported the account with a 'U' status and 'Q' flag as there was a hold on the account pending a leakage allowance. I understand that the 'Q' flag means that the account was in query, and this has a neutral effect on the customer's credit file.
12. I note the customer comments that her direct debit payment that was due on 1 May 2020 had not been taken, and this had negatively impacted her credit score. However, the evidence shows that when the direct debit is interrupted, it is re-set to include the whole debt within the payment arrangement. I understand that the customer's direct debits resumed on 1 June 2020 under a new payment arrangement and the failure to take the direct debit in May 2020 had no negative impact on the customer's credit score.
13. Whilst I appreciate the customer's position concerning the monthly payment and direct debit, as an outstanding balance existed on the account, I find that the company was entitled to report any late payment or payment arrangement to the credit reference agencies. I cannot find any evidence that the company has been negligent in allowing the customer to pay a lower monthly amount despite knowing this is not enough to cover the charges. It is for the customer to monitor her accounts and be aware that her payments would not cover the balance and ongoing charges. The evidence shows that the customer was aware that her payments would not cover the balance and ongoing charges in this instance. Considering the above, I find that it has not been proven that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning its reports to the credit agencies.
14. Regarding the customer's comments concerning the contaminated water. As made clear at WATRS Rule 3.5, "*water quality legal standards*" cannot be considered by WATRS. The question of whether a company provided contaminated water is outside the scope of this adjudication, and therefore I will make no findings on this matter in this decision.
15. The company has certain obligations in respect of its customer services. From the evidence provided, I believe that the company dealt with the customer's concerns efficiently and

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appropriately, considering the circumstances. Accordingly, I find that the customer is not due any sums in this regard.

16. The customer has made minor comments on the preliminary decision regarding the water usage figures. Having carefully considered each aspect of the customer's comments and reviewing the evidence I find that they do not change my findings, which remain unaltered from the preliminary decision.
17. Considering the above, I am satisfied the evidence shows that the company did not fail to provide its services to the customer to the standard to be reasonably expected concerning investigating and repairing the leaks within the customer's property and its debt recovery process.

Outcome

The company needs to take no further action.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 11 January 2022 to accept or reject this 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.



Mark Ledger FCI Arb
Adjudicator

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