

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT X731

Date of Final Decision: 9 February 2022

#### Party Details

Customer: The Customer

Company: The Company

#### Complaint

The customer complains that, although he has been retired for 15 years and the company has now agreed that he shall receive **XX**, the company will not backdate this beyond April 2018. He says that the company has failed to give sufficient information to him to know about this scheme prior to this year. The customer has also challenged the company's explanation that it will not make an Assessed Household Charge (AHC) if his meter is removed, notwithstanding that he was previously billed on this basis. He confirms that he has not asked to be billed on an AHC basis for many years. The customer would like the company to consider the reductions from when he would first have been eligible for **XX** (he now says from 2014) as he and his wife have overpaid for many years, feeling they were too proud to ask for help. The customer would also like compensation for the time spent on the case and for distress and inconvenience.

#### Response

The company says that the customer is not eligible for AHC if the meter is removed as its Charges Scheme says that AHC is available only where a meter cannot be fitted. If the meter is removed, the charge will be raised according to rateable value (RV), which would mean that it would be more than £1,800.00 per annum. This is disproportionate and the customer does not wish to pay this. The company has accepted the customer onto its hardship scheme, **XX**. Its Charges Scheme states in terms that this will not be backdated and the company has given a few months, backdating as a concession. It would not reasonably be expected to backdate this further and does not accept that the company failed to give notice to the customer that it could offer hardship assistance. In any event, on review, the company thinks that the customer's resources were incorrectly assessed and he is not eligible for **XX**.

#### Findings

I find that an average customer would reasonably expect the company to provide its services according to the Charges Scheme, which is the company's published and definitive statement of what it will charge, as required by law. This indicates that AHC is available where a meter cannot be fitted, not where it is removed. I

*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.*

find, therefore that an average customer would expect that the customer is not eligible for AHC. The Charges Scheme also explains that **XX**, where a customer is eligible, is not backdated. The company has submitted evidence of bills and leaflets back to 2015 (the year after the Scheme was introduced) in which it is explained that the company can offer hardship assistance and tells customers how to contact the company. I find in these circumstances that an average customer would not reasonably expect the company to backdate the customer's eligibility, especially as it is not clear that the customer would have been eligible throughout that period. It follows that I find that the company has supplied its services to the expected standard.

### Outcome

The company does not need to take further action.

## ADJUDICATOR'S FINAL DECISION

**Adjudication Reference: WAT X731**

**Date of Final Decision: 9 February 2022**

### Case Outline

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

- The customer, who has been retired for approximately 15 years, queried some high invoices by contacting the company.
- Following discussions with the company, its hardship scheme, **XX**, was applied for and approved. As a gesture of goodwill this was also backdated to April 2021.
- The customer feels that he has been overpaying for 15 years and, despite having received some goodwill measures, he should receive a refund. He says that he was unaware of this scheme until the company told him about it and that more advice and guidance should be given to the elderly.
- The customer would like the company to consider the reductions from when he would first have been eligible (the point of retirement) as he and his wife have overpaid for many years and struggled at some points, feeling they were too proud to ask for help.

*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.*

- The customer would also like compensation for the time spent on the case and for distress and inconvenience.

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

- The company says that it is not its policy to backdate this hardship provision to a point before the date of application. Despite having only received details of his income on 8 October 2021 (which is the date when the discount should have started) as a concession the company has backdated the hardship relief to April 2021. The company, however, having reconsidered the matter, has formed the opinion that not only should there not be a backdating of payment; the customer is not eligible for hardship relief and should not have received **XX**.
- To qualify, the company must have assessed the 'gross household income' but the company has, on review, seemingly only asked the customer about his own income. To assess his application correctly, the company should also have asked about his wife's annual income. In addition to this, the customer and his wife appear to be able to holiday outside of the UK on more than one occasion a year and they're also employing a housekeeper to attend to their home at least whilst they're away, or possibly whilst they're at home too. This would suggest that the customer and his wife may have another private pension as an income. The company refers to an email in which the customer advises he is not "struggling" to pay his bills. **XX** is a scheme which helps customers who are vulnerable and struggling to pay their bills. It is important to note that there are only a certain amount of funds set aside for this scheme and for those customers who are significantly struggling financially so the company must ensure the right customers receive the benefit of this scheme. The customer will in the future need to ensure that he can provide relevant detail to demonstrate that he meets the criteria before the discount can continue to be applied.
- The history of the customer's account shows that:
  - Due to data retention policies, data from 2007/08 is mostly unavailable. At that time, however, the customer was billed according to assessed readings (the AHC tariff) because the predecessor at his property had established when he had enquired, that the company was not able to fit a meter. This billing basis had continued during the customer's occupancy.
  - The company has found some notes from a technician's visit to the customer's home in December 2007 where the company had been asked on 22 November 2007 to reattend to survey his home for a water meter. It was discovered on that date that the Outside Stop Valve (OSV) controlled the supply to the whole building and so a meter

*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.*

- could not be fitted. The technician also noted that the Inside Stop Valve (ISV) was boxed in and so a meter could not be fitted there either. The property at that time was deemed to be unmeterable and the customer remained on his AHC tariff.
- The customer then employed a plumber to expose his ISV and fitted a private meter of his own to his supply. The meter initially fitted was not a class D meter and could not be used for billing purposes. The customer then had a class D meter fitted which the company passed. After a period of monitoring his consumption, however, the customer found that his charges were higher than the AHC tariff he had previously been paying. To resolve a complaint about this at that time, the company's Customer Relations team reverted his billing to the AHC tariff. Although the company no longer has access to the complaint correspondence at this time, the customer confirmed during a conversation on 20 July 2018 that this was what had happened in 2008/09.
  - In 2014 the company introduced the **XX** tariff (which was originally known as **XX**) and this has not therefore been in existence for the period for which the customer claims.
  - In 2018, the customer applied for a water meter again and this was installed on 14 June 2018. The customer has, however, remained unhappy with the metered charge and has asked on a number of occasions to be reverted to the AHC tariff he paid previously. In line with the company's Charges Scheme, however, the AHC tariff is only applicable to customers who have applied for a meter and the company has not been able to fit one for whatever reason.
  - The company has attended the customer's home on two occasions and (5 February 2021 and 15 May 2019) and found no leaks on his private water supply and that the meter connected to it is functioning correctly.
- Additionally, the following goodwill gestures have been credited to the customer's account over the period since 2015. The company does not have records from a period prior to that.
    - £30.00 on 5 July 2018 because one of the meter readers called him whilst he was on holiday in Italy.
    - £83.00 on 2 February 2021 (including £10 credited on 31 December 2020) which breaks down as £20 per month over four months between September 2020 and January 2021 because the customer had requested copy bills/statements and the company had not provided them. This gesture also included £3 at £1 per occasion when the customer had tried to use the company's automated payment line without success.

*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.*

- £2.00 on 8 February 2021 for two occasions when the customer had called in the previous days, but his messages were not passed to his Case Manager.
  - £50.00 on 1 October 2021 for any confusion that may have been caused because the customer thought he would be able to revert to the AHC tariff.
  - £40.00 on 1 October 2021 because the company did not set a payment plan correctly for him and has been receiving reminders for payment despite making agreed payments to us.
  - £10.00 on 1 October 2021 as the customer did not receive the **XX** application form that had been sent to him.
- Bills since 2015 have referred customers to its help provision if they were struggling to make payments. In addition to bills, each year an unmeasured customer would receive an annual billing leaflet with their annual unmeasured bill. Metered customers have also been receiving these leaflets with their first metered bill of the year. As of 2021, the company has stopped including these leaflets; All of the bills and annual billing leaflets include the company's phone number and encourage customers to call if they have any questions. Bills and annual billing leaflets include the details for the company's website and all of the information about **XX** is available on the website.
  - Ofwat, the Water Industry Regulator, provide a leaflet entitled: "Water meters – your questions answered". In their leaflet, Ofwat confirm that the AHC is only available to customers that have applied for a water meter but have been unable to have one fitted at their home.
  - Because both the Charges Scheme and Ofwat, deem that the AHC is only applicable to customers who cannot have a meter, and the company's Charges Scheme 2021/22 (and each previous year) sets out the policy of reverting to the unmeasured charge once a meter has been removed at a customer's property, the company is not prepared again to revert to the AHC tariff. Moreover, as the company's area is now deemed by Government to be an area of serious water stress the company has been fitting meters compulsorily borough by borough. The policy for this is also set out in the company's Charges Scheme 2021/22 at section 7.3.
  - The Charges Scheme 2021/22 also covers the policy for the **XX** scheme at section 8.2, **XX**. Where a customer is eligible, this states clearly that "the reduction to your charges will start from the date we receive your application and cannot be backdated."
  - The company does not agree that the customer should receive further financial relief.

### How is a WATRS decision reached?

*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.*

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 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 have also taken into account the customer's comments on my Preliminary Decision. The company has noted the proposed outcome but not made comments.

### How was this decision reached?

1. I take into account that the customer is aged x and lives on his state pension with his wife in a two-bedroom flat where he has resided since 2005. I find that he is vulnerable through age, although it is not clear whether he is vulnerable through financial hardship. The company has concluded when the customer was placed into the **XX** scheme that he was vulnerable within the meaning of the Charges Scheme, but it now submits that this was due to error on the part of the company. The company states:

*As stated above, to qualify we must assess the 'gross household income' however, my colleague has applied the **XX** scheme to **XX** account after only asking what his annual income is. To assess his application correctly, we should also be asking about his wife's annual income. In addition to this, as documented in the chain of events section, **XX** and his wife appear to be able to holiday outside of the UK on more than one occasion a year and they're also employing a housekeeper to attend to their home at least whilst they're away, or possibly whilst they're at home too. This would suggest to us that **XX** and his wife may have another private pension as an income..*

2. The customer states in his reply to the company's response:

*I wish to make it clear from the beginning that although x years old and living on a State pension for many years, I have always accepted the responsibility to pay all the utility bills and Council charges for this 2 - bedroom flat which has been our home since June 2005. They are paid in full and on time, in line with their various monthly payment plans.*

***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.***

...

*I am not in hardship, have a problem or have struggled, and continue, to pay all demands, but, like many other elderly people, if that was the case, I would find it hard to admit that I was finding it difficult.*

*We are fortunate that my wife's late father made provision for her to be able to travel abroad from time to time and have a house sitter when we are away.*

3. Section 8.2 of the company's Charges Scheme relates to the eligibility criteria. I find that these refer to the household income and not merely to that of one member of that household and I accept that this may mean that he is not eligible. This is a matter for the company to assess and not for me. I approach this matter on the basis that the current situation is that the company has agreed that the customer is eligible for **XX** and it has also agreed that his discount shall be backdated to April 2021. I assess the customer's application for a further backdated remedy against this background and I note that following the company's response, the customer has agreed that the relevant time for consideration is when the **XX** scheme was introduced, namely 2014, rather than the point at which the customer retired. The customer would like the discount to be backdated to 2014.
4. Against this, the company says that eligibility is assessed from time to time, and it cannot now be said that the customer would have been eligible for this hardship benefit in 2014 and in each following year. Moreover, the company has submitted evidence that section 8.10 of its Charges Scheme states specifically that the company will, where eligibility is proven, treat the starting date for the discount as the application date and the benefit cannot be backdated. I find that an average customer would reasonably expect a customer to provide its services in accordance with its Charges scheme because the purpose of such a document (which is underpinned by legal and regulatory controls) is to tell customers what services the company will provide and at what cost.
5. The customer has further complained, however, that the company has not given him sufficient information in the past to enable him to apply for the discounted tariff. The company says that information has been given on many occasions. The company refers to its bills, leaflets presented with bill, its website and the Charges Scheme and says that this is adequate information to communicate to customers. The company points out that its **XX** scheme is not for people who are living on a pension unless they are also in financial hardship and having difficulty paying bills. I find as to the information given to the customer as follows.
6. In respect of bills, the company has submitted copies of the customer's bills April 1 2015 - 8 October 2021, all of which the customer says he has and he also has those dating back to 2005. He says that none of these mentions **XX** or **XX**. While the customer is correct that **XX** / **XX** are not mentioned by name on the bills, I find that each of the bills makes reference to the possibility of assisting customers who are struggling to make payment.
  - a. In 2015, the information given in the bill was:

*Problems paying your bill? Call us now on  
to discuss. Please don't ignore the problem, we're here to help.*

***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.***

- b. In 2017, 2018 and March 2019, the information given on the bills was:

*Helping you pay.*

*If you're finding it hard to pay your water bill, let us try to help. We have a range of support available from spreading bills and arrears into affordable amounts to our tariff to support customers in hardship.*

- c. In 2019 the bill said:

*Help if you are struggling to pay*

*If you're finding it hard to pay your water bill, let us try to help.*

*We have a range of support available from spreading bills and arrears into affordable amounts to our tariff to support customers in hardship.*

- d. In 2020 and 2021, a speech bubble on the front-page states

*Struggling to pay? redacted*

7. I am therefore satisfied that the company gave information to its customers that it offered help to customers in hardship and told them how to make further inquiries. It is clear from the company's evidence that its hardship help was by way of **XX**, now renamed as **XX** as well as by offering payment plans, which the customer already has. I find that the evidence given in this way was sufficient to alert a customer who needed hardship assistance that he needed to contact the company. I do not find that it was necessary for the company specifically to name or advertise its hardship fund in bills (although this is set out in the Charges Scheme); customers who needed help were advised to contact the company and I find that this approach is consistent with the very restricted availability of the hardship discount.
8. The position is similar in relation to the leaflets. The customer says that he does not have all the leaflets that sometimes accompanied these bills but says that although he has received those entitled "Need a helping hand?", "Here for you." and "Keeping you informed", he has not seen "Order freebies to help you save money", "In the pipeline this year", "What's inside" and "At the heart of daily life". He says that this last (actually that issued in 2014) is the first to mention **XX** and its "social tariff", **XX**. On the other hand, the company has shown that it issues leaflets in each year and says that the customer would have been sent these. I find that it is more probable than not that he was sent these. As the company had obtained the leaflets for supply to its customer, I find that it is more probable than not that these were dispatched with bills, as the company says. Having looked at these, I am satisfied as with the above that the leaflets either direct customers to the company's website or telephone number if they have difficulty in paying a bill or refer to the 50,000 people on social tariffs. I find that all or some of these would

*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.*



reasonably have been expected to inform the customer that a social tariff could assist him if he was eligible.

9. Moreover, I find that the **XX** scheme and its previously named counterpart are referred to on the company's website and in the Charges Scheme.
10. I therefore find that all these are resources available to those who believe that their bills are too high and that they need additional assistance. In the circumstances, I find that the evidence does not support that the customer was given insufficient information about this. Whether the customer is, or regards himself as being, in hardship or not, as indicated above, I find that the company has given information about this billing tariff and how to ask for help in respect of it. I find that the company has provided its services to the expected standard in this regard.
11. In his reply to the company's response, the customer also challenges the company's refusal to restore the AHC tariff on a second occasion and also sets out a different version of events for the circumstances, historically, in which a meter was either not fitted or removed and replaced at his property.
12. In respect of the AHC, the customer has clarified in his response to my Preliminary Decision that he has not asked to be billed by reference to the AHC for many years. In his initial evidence and submissions, however, the customer made clear that he did not agree with the company's assertions about AHC and for completeness I record my findings.
13. The gist of the customer's argument, I find, was that he was either better off paying the AHC or he believed that the water meter is measuring also leaked water. There is, however, no evidence of the presence of a leak at any stage after the meter was fitted. The company has carried out leak checks at his home on two occasions and no leaks have been found. I find, therefore, that the evidence does not support a conclusion other than that the water meter reflects the actual water usage at the customer's home, notwithstanding that I note that the customer said that his bills were lower when he was living in a 5-bedroom house with three adult daughters some years ago. I find that in carrying out leak checks, the company has supplied its services to an expected standard for a vulnerable customer and having done so, is supplying its services correctly and in accordance with legal requirements in accepting the meter readings as evidence of use.
14. The customer is entitled to removal of the meter within one year of it having been fitted and he asked for it to be removed within a one-year period. It has not in fact been removed because the company has pointed out that use of RV would result in disproportionately high charges which the customer also does not agree to. It does not follow, I find, that he is entitled to be charged according to the AHC, as the customer now appears to accept. I find that the Charges Scheme makes clear that AHC is available where a meter cannot be fitted, not where it is removed. The company has made an exception for the customer on one occasion, but it does not follow, I find, that the company is required to do this on a second occasion, especially as, I find, an average customer would reasonably expect water metering to be a fair way of assessing actual use by a customer and it is now the company's policy to fit these compulsorily on a borough by borough basis. As the Charges Scheme does not envisage that the AHC should be a basis for addressing hardship in paying bills, if this is what the customer is experiencing (which, in any event, the customer denies), I further find that an average customer would reasonably expect the company

*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.*

to apply its usual policy to the customer as set out in its published Charges Scheme. I find that in taking the stance that is consistent with its published charges policy, the company has supplied its services to the standard that would reasonably be expected.

15. It follows from the above that although I empathise with the customer's concern about the need to make continuing provision for the cost of water, it does not follow that the customer is entitled to the remedies that he asks for. I find that the company is not required to take further action.

#### **Outcome**

The company does not need to take further action.

#### **What happens next?**

- This adjudication decision is final and cannot be appealed or amended.
- 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.

*Claire Andrews*

**Claire Andrews, Barrister, FCI Arb.**

**Adjudicator**

*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.*