

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X795

Date of Final Decision: 21 March 2022

Party Details

Customers:

Company:

Complaint

The company reduced the customer's monthly payments to £7.00 on the basis that her account was in credit. The customer thought this was a mistake and telephoned the company on several occasions and asked for her payments to be increased. The company said the monthly payments were correct and refused to increase them, but then sent a bill for over £600.00. The company admitted that it made a mistake when it reduced the customer's payments, so it reduced her balance by £378.00 as a gesture of goodwill. However, due to the company's mistake, the customer now has an outstanding balance of £272.45 and she would like the company to remove it.

Response

The company accepts that its service fell below the expected standard at times, and it has apologised to the customer for this and applied goodwill payments totalling £378.00 to the customer's account, which reduced the customer's balance to £8.72. The customer's outstanding balance increased after this due to a further bill being issued. As the charges on the customer's account are for services she has used, and the customer has already been fairly compensated for its failings, the company denies responsibility to remove the outstanding balance.

The company has not made an offer of settlement.

Findings

The evidence shows that the company failed to provide its service to the standard reasonably expected by the average person. However, the company has already fairly compensated the customer for its failings and the evidence shows that the balance on the customer's account is correct and payable.

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Therefore, the customer's claim for the outstanding balance to be removed from her account cannot succeed.

Outcome

The company does not need to take any further action.

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Case Outline

The customer's complaint is that:

- Two years ago, after receiving three contradictory water bills, she called the company on several occasions but the advisors she spoke to were all unable to explain why this had happened.
- Her monthly payments then dropped to £7.00, which she knew was a mistake, so she telephoned the company three times and each time she was told that the payments had been reduced as she was £198.00 in credit. She explained that this must be a mistake and she asked the company to increase her payments as she did not want to get into debt, but she was told that she was paying the correct amount and she could not increase the monthly payments. She then received a very large bill of over £600.00 and was told her payment plan would increase to £131.00 per month.
- After she complained, the company admitted that it had made a series of errors and £378.00 was removed from her balance as a gesture of goodwill. However, this left an outstanding balance of £272.45.
- Due to the company's errors, she has gone from being in credit to being in debit, but the company has refused to reduce the balance further as it believes that the gesture of goodwill already provided is fair in the circumstances.
- As the company's errors directly caused her outstanding balance, and she tried to explain that there had been a mistake and asked the company to increase her payments on many occasions, she wants the company to remove the balance from her account.

The company's response is that:

- It is legally entitled to install smart meters to its customers' water supplies on a compulsory basis and it installed a smart meter to the supply at the customer's address on 17 August 2017. Following this, the customer began a two year transitional period, so it sent her letters comparing the charges on rateable value ("RV") against metered charges for the same period. It sent letters to the customer explaining that at the end of the two year period, on 19 September 2019, she would automatically be switched to metered charges.

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- In preparation for the automatic switch to metered billing, the customer's account had a billing hold placed on it. Historically, the customer received one bill in either February or March each year for the period from 1 April to 31 March of the following year. However, due to the billing hold, the customer's annual RV bill for the period from 1 April 2020 to 31 March 2021 was not issued in February or March 2020 as it usually would have been. This is because the customer was supposed to be automatically switched to metered charges from 19 September 2019, however, the customer's move to metered billing was not processed correctly. It accepts an error was made in this regard.
- In May 2020, the customer called to say her annual bill had not arrived. Unfortunately, after the customer's call the wrong action was carried out and, instead of switching the customer to metered billing, it released the customer's annual RV bill for the period from 1 April 2020 to 31 March 2021 by mistake. It apologises for this error.
- It also accepts that when it cancelled the bill it sent by mistake and switched the customer's account to metered billing, it set the customer's new metered payment plan slightly lower than it should have been, at £7.00 per month. It is also sorry for this mistake.
- However, it is only now, with hindsight and more meter readings, that it can determine that the payment plan of £7.00 per month was too low and it has provided a table to show that prior to being switched to metered billing, the customer's average daily usage ("ADU") ranged from 0.13m³ to 0.19m³, in line with the expected use of a household with one occupier. However, between March 2019 and September 2019, the customer's usage rose to 0.30m³ per day, in line with the ADU for a two person household, and the customer's ADU has continued to rise. The rise in consumption is not unusual as most of its customers started to use more water during the Covid-19 pandemic, and now the customer's metered charges are in excess of the RV charges she previously paid, and she is now on a payment plan of £35.00 per month.
- In view of the service failings outlined above, it applied goodwill payments of £278.00 and £100.00 to the customer's outstanding balance. When the last payment of £100.00 was applied to the customer's account, her balance was reduced from £108.72 to £8.72, and, therefore, the balance was almost cleared by the goodwill gestures.
- The customer stated that she was happy with this outcome on 11 August 2021, but has since changed her mind. It believes that the customer became dissatisfied when she received the bill issued on 6 September 2021, for the period from 3 March 2021 to 2 September 2021, for £254.69, which increased her balance again due to her higher than normal charges that reflected her higher than normal usage during the pandemic.
- The customer's outstanding balance is for water she has used and although it accepts that its service fell below the expected standard at times, the customer has already been fairly

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compensated for the errors made and, therefore, it denies liability to compensate the customer further.

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 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. As the adjudicator in this case, I can only direct the company to remove the balance from the customer's account if the evidence shows that the company has failed to provide its services to the standard reasonably expected by the average person, and the balance on the customer's account is a result of this failing and is not correct and payable.
2. The company accepts that it failed to transfer the customer's account to metered billing at the end of the transition period on 19 September 2019, and that it issued a bill to the customer based on RV instead of metered billing by mistake, and set the customer's monthly payments at an amount that was too low to cover the customer's charges. The company admits that its service did not meet the expected standard at times, has apologised to the customer for its failings, and provided the customer with goodwill payments in the amount of £378.00.

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3. While the company accepts that its service failed to meet the expected standard, it denies responsibility to remove the current balance on the customer's account and says that the charges are for water that the customer has used and is obliged to pay for. The company also says that the goodwill payments already made adequately compensate the customer for its failings and, in any event, the credits cleared all but £8.72 of the outstanding charges on the customer's account at the time they were made.
4. Having reviewed the copies of the bills and the statement of account provided in evidence, I accept that a goodwill credit of £278.00 was paid on 10 August 2021 and reduced the customer's balance to £108.72, and a further goodwill credit of £100.00 was paid on 5 October 2021. While the second payment is shown on the bill dated 7 October 2021, the bill includes other charges so it is not clear that this payment reduced the disputed balance to £8.72. However, I accept that if the goodwill credits of £278.00 and £100.00 had been paid together on 10 August 2021, the customer would have seen her balance reduce to £8.72. The evidence also confirms that all but £8.72 of the balance on the customer's account is for bills issued after August 2021.
5. On balance, while I accept that the company failed to provide its service to the standard reasonably expected by the average person, I find that the gestures of goodwill already paid to the customer by the company sufficiently compensate the customer for the service failings shown in the evidence, and I accept that the balance on the customer's account is for water services received by the customer and is correct and payable. Therefore, while I understand that the customer will be disappointed by my decision, the customer's claim for the company to remove the current balance on her account cannot succeed and I make no direction to the company in this regard.

Outcome

The company does not need to take any further action.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 4 April 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.

K S Wilks

Katharine Wilks

Adjudicator

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