

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X869

Date of Final Decision: 19 April 2022

Party Details

Customer: The Customer

Company: The Company

Complaint

The company has not provided the customer with the correct refund following an overpayment, has incorrectly charged a portion of the customer's usage at a higher rate, and has damaged the customer's credit rating by issuing him with a payment card by mistake. In view of this, the customer would like the company to refund him £109.74 for the overpayment and a further £7.17 for the inaccurate charges applied to his account. In addition, the customer would like the company to make a charitable donation of £200.00 as compensation for issuing him with a payment card and damaging his credit score.

Response

The company used actual meter readings to correctly calculate the customer's refund following the overpayment, and it has accurately applied price increases to the customer's usage. The customer was automatically and correctly issued with a payment card, and being in receipt of a payment card has not had a negative impact on the customer's credit file. In view of this, the company denies responsibility to refund the customer any money or pay the customer compensation.

The company has not made an offer of settlement.

Findings

The evidence does not show that the company owes the customer a further refund, or incorrectly applied price increases to the customer's account, or damaged the customer's credit rating by issuing him with a payment card. Therefore, I do not find that the company has failed to provide its service to the standard reasonably expected by the average customer and the customer's claims cannot succeed.

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Outcome

The company does not need to take any further action.

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Case Outline

The customer's complaint is that:

- He lived at (REDACTED) ("the customer's previous address") from 9 February to 9 August 2019. The meter at this address was not mentioned in the company's calculation of his account, dated 24 September 2021, and the company took no meter readings at either the beginning or end of his occupancy of the property.
- The company sent a letter, dated 11 April 2019, to say that it wanted to take a meter reading. As the meters were located on the street (he does not know exactly where), there was no reason for him to stay at home to facilitate the company's attendance, but the company failed to take a reading from the meter.
- The total standing charge for the period he lived at the property was £46.40. However, the characteristics of his home were different to any other place in which he has lived and he does not have any set routines as he is retired. This means that without actual meter readings it is impossible for the company to guess his usage.
- The company gave him an overpayment refund of £647.74 but still owes him £109.74. He asked the company for the calculation used to work out the refund, but the company did not provide it.
- The company applies price increases every year on the 1st day of April, but does not read the meters until much later, so it guesses the reading on 1 April each year. Guessed readings will never be accurate and he believes that the company should only apply increased prices after meters have been read following a published increase.
- The company is a monopoly supplier so customers are obliged to buy its services. It is against natural justice to allow the company to impose terms and conditions that do not suit the interests of its customers. The company controls its meters itself and discourages its customers from accessing them. Therefore, it is reasonable that the company is made to apply price increases only after a valid meter reading has been taken.
- The calculation of his account, dated 24 September 2021, includes the price increases from 1 April 2020 and 1 April 2021, but no reading was taken at his new property until 12 July 2021. Therefore, the rates chargeable on the first reading of 9 January 2020 should be used until the

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subsequent reading was taken on 12 July 2021. In view of this, the company has overcharged him by £7.17.

- In any event, the meter reading shown on the photograph which the company claims was taken on 9 January 2020 was used to calculate his charges, but it does not show the meter digits properly.
- The company issued him with a payment card on 6 July 2021. Payment cards have a negative impact on a customer's credit rating as they are normally issued to customers that are having difficulty paying their bills. When he told the Customer Complaints Team about this, they said it was an error caused by an "agent", but the company has since admitted responsibility.
- He is prepared to accept £200.00 in compensation for this error on condition that the company guarantees that there will be no further negative impact on his credit rating.
- In order to resolve this dispute, he would like the company to pay him £116.91, comprising of £109.74 for overpaid charges at his previous address, and £7.17 for the inaccurate charges at his current address. In addition, he would like the company to pay £200.00 to his nominated charity, Planting for Hope Uganda, as compensation for being issued with a payment card.

The company's response is that:

- It accepts that it has a monopoly over its catchment area (REDACTED) and customers cannot yet choose who their supplier is. For this reason, it does its utmost to provide excellent customer service, but if it fails to do so for any reason it will say sorry and give gestures of goodwill under its CGS Scheme.
- It has done its best to answer all the issues raised by the customer but accepts that there have been some service failings. In view of this, the customer has received £80.00 for the time taken to resolve his complaint, £20.00 because the reply it sent to the customer on 12 October 2020 was not satisfactory, free water and wastewater services between 9 August 2019 to 9 January 2020, a £35.54 credit against his charges, and it has apologised for the late replies. It also offered to send a technician to the customer's property to read the meter and show him where it was located, and advised the customer that it is always happy to accept his meter readings.
- When it carried out a supply check, it found that it had used the wrong meter on the customer's account. Regrettably, due to system issues, it took some time for a corrected bill to be sent to the customer, but the bill it eventually sent broke down exactly how many cubic meters of water had been apportioned to each billing period, and resulted in a large credit being sent to the customer.
- It explained how payment plans work and set a payment plan up for the customer. Regrettably, again, due to system problems, this took longer than it would have liked and it apologises once

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again to the customer for this. However, the customer was not offered a payment plan previously because the relevant information is outlined on the bills the customer received.

- The customer claims that it did not take meter readings at his previous address and, therefore, his usage was estimated, but this is incorrect. The customer's previous address was billed on metered charges, and meter readings were taken and accurate bills were sent to the customer.
- The standing charges were £46.40 and the overall metered bill based on actual meter readings was £156.14. However, as a goodwill gesture, during the customer's complaint, his Complaint Case Manager decided to make an adjustment to the meter readings and applied the customer's current ADU of 0.19 to his account, resulting in a credit of £35.54.
- With regard to the customer's comment that he did not receive the calculation which determined his credit of £647.62, in the bill dated 24 September 2021 this calculation is clearly set out. The calculation shows that it does not owe the customer £109.74.
- The customer says that the calculation of his account on 24 September 2021 includes the price increases of 1 April 2020 and 1 April 2021, but as no reading was taken until 12 July 2021, he has been overcharged by £7.17. The customer believes that the rates chargeable on the first reading of 9 January 2020 should have been used until the subsequent reading on 12 July 2021.
- It denies this claim as its computerised system calculates how much water has been used in a given period and works out the average daily usage from the meter readings. As the system contains meter readings for the customer, its computer programme has apportioned his usage throughout his occupation correctly and he has not been overcharged by £7.17.
- It actively encourages customers to take meter readings or make contact if they cannot read the meter themselves, and the customer can always provide a meter reading on 31 March every year if he wishes, or he can telephone beforehand to arrange for a technician to do this.
- The customer wants it to make a charitable donation of £200.00 on the basis that it issued him with a payment card in error, payment cards are for people who struggle to pay their bills, and being in receipt of a payment card has had a negative impact on his credit ratings. However, this is not correct.
- It is not true that payment cards are only issued to customers who are having difficulty paying their bills, as payment cards are issued automatically to all customers who pay using cash. The customer prefers to pay with cash and this is the reason he was sent a payment card.
- Customers who do not pay by Direct Debit must pay the full billed amount on time otherwise debt recovery proceedings are started to recover the monies owed. As long as the customer ensures that he pays his bills in full, on or before the due date, there will be no impact on his credit file and all payments made on time will be positively reported.

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- Any previous negative reporting to credit reference agencies would have been due to a bill not being paid in full or not being paid on time. Therefore, the customer is not entitled to compensation in this regard.
- In view of the above, the company denies all liability.

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. The customer complains about three separate issues; firstly, that the rebate he received from the company after it was discovered that the wrong meter had been attributed to his account fell short by £109.74; secondly, that he has been overcharged by £7.17 because the company applied a price increase to his charges without reading his meter on the day the charges were implemented; and, lastly, that the company damaged his credit score by issuing him with a payment card. The company states that it has not overcharged the customer in any way, it issued a payment card correctly, and having a payment card does not damage a customer's credit score.
2. The customer's claims can only succeed if the evidence shows on the balance of probabilities that the company has failed to provide its service to the standard reasonably expected by the

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average person by failing to provide the full rebate owed to the customer, applying the annual price increases to water used before the price increases were applicable, and/or damaging the customer's credit rating by wrongly issuing him with a payment card.

3. The customer's first complaint concerns the overpayment he made when the company attached the wrong meter to his account. The customer's letter to the company, entitled "Second Complaint Letter", demonstrates that the customer believes that the company owed him an amount between £425.13 and £778.52 but only repaid £647.62. The customer also complains that the company has not provided a full calculation of the rebate.
4. Having reviewed the letter dated 24 September 2021, and the bills dated 24 September 2021 and 25 October 2021, I find that the company has provided a clear explanation to the customer about the way his rebate was calculated. The letter explains that the company used two meter readings from the meter at the customer's current address to recalculate his charges; the first taken on 9 January 2020 of 43 cubic metres, and the second taken on 7 July 2021 of 148 cubic meters. For the period from 9 August 2019 to 9 January 2020, the company manually estimated the customer's usage to be zero, so that the customer was billed the fixed charge portion of the bill only. The company explains that this was done as a gesture of goodwill as the company could not be sure how much water was used during this time. The charges for 9 August 2019 to 7 July 2021 were calculated as being £406.92, leaving the customer with a credit balance of £647.62, which was repaid to the customer.
5. On balance, I find the calculation provided by the company persuasive and I accept that the amount of rebate given to the customer was correct on the balance of probabilities. Therefore, I find no failing on the company's behalf in this regard and the customer's claim for a further rebate does not succeed.
6. The customer's second complaint is that the company applied price increases to his account even though it did not read his meter when the price increases were introduced on 1 April 2020 and 1 April 2021.
7. The company states that its Charges Scheme, approved by Ofwat, allows it to introduce price increases on 1 April every year, and the customer has not been overcharged as its computer system used the customer's meter readings to work out the customer's ADU and ensure that the correct price was charged before and after the price increases were implemented.

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8. Having considered the evidence, I accept that the company is entitled to increase its prices under its Charges Scheme and its computerised billing system can work out a customer's charges accurately by using actual meter readings and an average daily usage to ensure price increases are correctly applied. Further, the evidence does not show that the company has failed to meet the expected standards of service by wrongly applying price increases to the customer's account. Therefore, the customer's claim that the company has overcharged him by £7.17 is not supported by the evidence and cannot succeed.
9. The customer's final complaint is that the company issued him with a payment card by mistake and this has damaged his credit rating. The company says that the card was correctly issued to the customer as he prefers to pay his bills by cash, and being issued with a payment card does not damage a customer's credit rating.
10. The email sent by the company to the customer on 26 October 2020 does state that the card was issued to the customer by mistake, so I understand why the customer believes that it was. However, having considered the company's comments in its response to the customer's claim, I find that on the balance of probabilities the payment card was issued automatically to the customer due to the way he pays his bills. In any event, the customer has not provided any evidence to show that his credit score has been damaged by being issued with a payment card and, on balance, I accept that having a payment card would not negatively impact a customer's credit rating.
11. In view of the above, while I accept that there were some service failings for which the company has made CGS payments and provided the customer with rebates, I do not find that the company has failed to provide its service to the standard reasonably expected in regard to failing to provide a full rebate for the customer's overpayment, failing to accurately apply price increases, or wrongly issuing a payment card and reporting negative markers on the customer's credit file. Therefore, while I understand that the customer will be disappointed by my decision, the customer's claims cannot succeed.
12. Following the preliminary decision, the customer restated his belief that the company should have read his meter before applying the yearly price increases, and also made some comments about the accuracy of the company's records/evidence. Therefore, while I acknowledge the customer's concerns, I want to reassure him that during my adjudication I fully considered both the reliability of the company's evidence and the company's obligations regarding taking meter

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readings and price increases. In view of this, I find no need to comment further on these issues and my decision remains unchanged.

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 3 May 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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