

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X058

Date of Final Decision: 11 August 2022

Party Details

Customer:

Company:

Complaint

The customer claims that the company based her charges on estimated readings, incorrectly advised her that REDACTED was not in debt and placed negative credit markers on her account, causing her to overpay her account, which led to inconvenience and distress. The customer is seeking the company to apologise and pay compensation for the inconvenience and distress caused.

Response

The company admits to using estimated readings which led to the customer making an overpayment on her account before REDACTED could provide an accurate meter reading. This overpayment created a credit balance of £619.49, which the customer asked to keep on their account for future bills. However, before receiving the second payment, the customer's account was in debit. As the customer failed to keep her account up to date regarding payment, the company was entitled to begin its recovery process according to its policy set out in its Charges Scheme. The company has now removed these markers and made a goodwill gesture of £50.00 for its failures in customer service, which has been refused.

Findings

I find the evidence proves that the company did not provide its services to the customer to the standard reasonably expected by the average person concerning customer service. Whilst the company's offer of £50.00 compensates the customer for some of this failure, I find that it does not adequately cover the customer for the inconvenience and distress incurred. Accordingly, I have directed the company to pay £100.00 for this aspect of her claim.

Outcome

The company shall pay the customer the sum of £100.00.

The customer has until 1 September 2022 to accept or reject this decision.

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Case Outline

The customer's complaint is that:

- The company based her charges on estimated readings, incorrectly advised her that REDACTED was not in debt and placed negative credit markers on her account, causing her to overpay her account, both of which led to inconvenience and distress.
- The customer is seeking the company to apologise and pay compensation for the inconvenience and distress caused.

The company's response is that:

- It admits using estimated readings which led to the customer making an overpayment on her account before REDACTED could provide an accurate meter reading.
- This overpayment created a credit balance of £619.49, which the customer asked to keep on their account for future bills.
- However, before receiving the second payment, the customer's account was in debit, and as the customer failed to keep her account up to date regarding payment, the company was entitled to begin its recovery process according to its policy set out in its Charges Scheme.
- The company has now removed these markers and made a goodwill gesture of £50.00 for its failures in customer service, which has been refused.

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 another disadvantage as a result of a failure by the company.

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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 customer is entitled to an apology and compensation where the company based her charges on estimated readings, incorrectly advised REDACTED that REDACTED was in debt and placed negative credit markers on her account.
2. The company must meet the standards set out in OFWAT's Charges Scheme Rules, the Water Supply and Sewerage Services (Customer Service Standards) Regulations 2008 and the Water Industry Act 1991.
3. The company also has certain obligations regarding its customer services as set out in the OFWAT Guaranteed Standards Scheme and its own Guarantee Standards Scheme (GSS).
4. From the evidence put forward by the customer and the company, I understand that on 3 December 2019, a meter was installed at the customer's property, and a credit balance of £46.99 was transferred from the customer's unmeasured account REDACTED to their new metered account REDACTED.
5. On 15 May 2020, the company issued a bill of £252.76 to cover the period between 3 December 2019 to 13 May 2020. The credit balance of £46.99 was used towards these charges, leaving an outstanding balance of £205.77. The company asked that payment be made by 29 May 2020. The company says in its response that the bill was produced using an estimated reading as the company could not read the meter due to Covid-19 restrictions.
6. On 27 May 2020, the customer made a payment of £350.00. I understand that the customer used their old reference number REDACTED when making the payment as they could not access their new metered account REDACTED due to being abroad and in lockdown. The company

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says that as the payment was made online, it had no contact with the customer to recognise their error, and so the payment was allocated to their previous unmeasured account.

7. On 8 June 2020, the customer contacted the company to query her charges. During the call, the company noticed a credit balance of £350.00 on the closed unmeasured account REDACTED, which it transferred to the customer's measured account REDACTED. This covered the bill of £205.77 and left a credit balance of £144.23, which would go towards the next bill. On 29 October 2020, the company received an additional ad hoc online payment of £100.00, increasing the credit balance to £244.23.
8. On 28 November 2020, the company issued a new bill with charges of £309.75 to cover 14 May 2020 to 27 November 2020. Again, an estimated reading was used as it could not access the internal meter due to the national lockdown implemented in November 2020. I understand that the credit balance of £244.23 was used towards these charges leaving an outstanding balance of £65.52 with a payment date of 11 December 2020.
9. As no payment was received, the company sent various messages and letters to the customer requesting payment. On 29 May 2021, a bill of £349.03 was issued. This included charges of £283.51 to cover 28 November 2020 to 28 May 2021, plus the carried-over balance of £65.52. I understand that the company advised that payment was due immediately on the bill.
10. On 26 June 2021, the customer's account was passed to the company's debt collection service to contact the customer about the outstanding balance. On 29 June 2021, the customer contacted the company as they could not access their online billing account. During this call, the customer was incorrectly advised that there was no debit on the account, despite a balance due of £349.03.
11. On 6 July 2021, the customer once again contacted the company following contact from the company's debt collection service. I understand that the outstanding balance of £349.03 was paid during the call, and the account was removed from the company's debt collection service.
12. On 12 July 2021, the customer provided an actual meter reading, which enabled the company to revise the customer's account, creating a credit balance of £619.49. I understand that the customer requested the balance to remain in the account to be used against future bills.

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13. On 9 August 2021, the company contacted the customer to check whether they still wanted to retain the credit on the account. The customer agreed to have £300.00 returned to them, which was sent via cheque payment the same day, leaving a credit of £319.49 on the account.
14. On 20 August 2021, the customer submitted an online web form querying whether their credit file was affected after the company passed the account to its debt collection service. The company says it recognised that the Covid19 pandemic had impacted the customer as they could not return to the UK from France, meaning they could not provide accurate meter readings in 2020. The company says that despite the reporting to credit agencies being an accurate reflection of the account activity, it agreed on 2 September 2021, as a gesture of goodwill, to remove the late markers and defaults.
15. The evidence shows that the customer remained unhappy with the company's responses and, in April 2022, progressed matters to CCWater to resolve without success. Following the contact with CCWater, the company reviewed the customer's account on 8 July 2022 to apologise and to offer a payment of £50.00 by way of apology for the incorrect information they were given in the call of 29 June 2021. The customer declined the offer and, on 11 June 2022, commenced the WATRS adjudication process.
16. Concerning whether the company based its charges on estimated readings led the customer to make overpayments, I understand from the evidence put forward that the company admits there were delays that led to the company basing its invoices on estimated readings. The evidence shows that OFWAT's guidelines require the company to obtain at least one confirmed read in a two-year period, which the company has complied with. However, due to the COVID-19 pandemic and subsequent lockdown restrictions, it could not acquire actual readings in the period in dispute, and it was entitled to base its charges on estimated readings.
17. The evidence shows that once the customer provided actual meter readings, then the bills were recalculated, which led to overpayment. Had the actual meter readings been reflective of the actual usage, then the customer would not have made any overpayment. However, I am of the view that the change to metered charges just before lockdown did not provide the company with enough evidence to provide accurate estimated readings based on the customer's previous consumption. In light of the above, I find that it was reasonable for the company to rely on estimated reads during the COVID-19 pandemic and accordingly, the company did not fail to

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provide its services to the standard expected concerning billing the customer on estimated readings.

18. Concerning the debt collection process, between December 2020 and June 2021, various demands and notices of action were sent to the customer as the company had not received payment. The evidence shows that none of this correspondence sent to the property or texts to the customer was returned advising that the details were incorrect. In light of 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 the debt incurred between December 2020 and June 2021.
19. Section 143 of the Water Industry Act 1991 gives the company the power to set a Charges Scheme. Where a bill has not been paid, in line with the company's Charges Scheme, a debt recovery process is in place for all of its customers. In compliance with OFWAT's guidelines on collecting debt, if no payment plan is in place with the company or full payment has not been received, the company is entitled to report any late payment to the credit reference agencies and pass the debt onto a debt collection agency.
20. I note that the company agreed on 2 September 2021, as a gesture of goodwill, to remove the late markers and defaults. 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 debt recovery processes.
21. The company has certain obligations in respect of its customer services. As evidenced by the timeline within the company's response documents, I am satisfied that by the end of the company's dialogue with the customer, the company had adequately explained the reasons behind why the debit before receiving the meter readings on the customer's account was correct and payable. I note that the company admits failures in its customer service regarding the email on 29 June 2021. Furthermore, I believe that the company, on 27 May 2020, should have accurately allocated the customer payment from the closed unmeasured account REDACTED to the customer's measured account REDACTED.
22. Therefore, I find there are grounds to conclude the company has not provided its services to the standard to be reasonably expected by the average person concerning the customer's billing issues and customer service. The company states that having reviewed the customer's account

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on 8 July 2022 to apologise and to offer a payment of £50.00 by way of apology for the incorrect information they were given in the call of 29 June 2021. However, I believe that this does not adequately compensate the customer for the distress and inconvenience incurred.

23. On careful review of all the evidence and considering the length of time that this dispute has been ongoing and the level of inconvenience that was caused by the company, I am satisfied that these failures fall within Tier 1 of the WATRS Guide to Compensation for Inconvenience and Distress. I consider that £100.00 would adequately cover the customer for the inconvenience caused by the company's failings. Accordingly, I direct the company to pay the customer £100.00 for this aspect of her claim.
24. The customer has requested an apology from the company. Having carefully considered the various correspondence put forward in evidence, I am satisfied the company has not provided its customer services to the customer to standard to be reasonably expected by the average person. Furthermore, I am satisfied the company has sufficiently apologised and offered compensation where appropriate within its dialogue with the customer. Therefore, I find the company is not required to provide a further apology.
25. The customer and company have made minor comments on the preliminary decision. Having carefully considered each aspect of the customer's comments in conjunction with the company's comments and on a further review of all the evidence, I find that they do not change my findings, which remain unaltered from the preliminary decision.
26. Considering the above, I find the evidence proves that the company did not provide its services to the customer to the standard reasonably expected by the average person concerning customer service. Whilst the company's offer of £50.00 compensates the customer for some of this failure. I find that it does not adequately cover the customer for the inconvenience and distress incurred. Accordingly, as above, I have directed the company to pay £100.00 for this aspect of her claim.

Outcome

The company shall pay the customer £100.00.

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What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date on which WATRS notifies the company that you have accepted my decision. If the company does not do what I have directed within this time limit, you should let WATRS know.
- If you choose to reject this decision, WATRS will close the case and the company will not have to do what I have directed.
- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.



Mark Ledger FCI Arb
Adjudicator

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