

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X143

Date of Final Decision: 5 October 2022

Party Details

Customer:

Company:

Complaint

The customer claims that during a meter exchange, the company failed to turn off the outside stop tap, leading to internal flooding within their kitchen. The flooding and the company's delayed claim responses caused undue disruption, inconvenience, and distress. The customer is seeking the company to pay compensation of £6,098.00 to repair the damaged kitchen and for the inconvenience and distress incurred.

Response

The company says the customer's claim is with the company's contractors and their internal insurance team; therefore, the company cannot comment on the communication or time taken to process the claim. The company's service partners and subcontractors have their own liability insurance, which indemnifies the company, and any agreed payment ought to be paid by the company's liability insurance. The company has not made any further offers of settlement.

Findings

I am satisfied that the evidence shows the company did fail to provide the customer's services to the standard reasonably expected regarding the flooding of the customer's kitchen and the customer's subsequent damages claim.

Outcome

The company shall pay the customer £2,336.66.

The customer has until 26 October 2022 to accept or reject this decision.

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ADJUDICATOR'S FINAL DECISION

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Case Outline

The customer's complaint is that:

- During a meter exchange, the company failed to turn off the outside stop tap, leading to internal flooding within their kitchen.
- The flooding and the company's delayed claim responses caused undue disruption, inconvenience, and distress.
- The customer is seeking the company to pay compensation of £6,098.00 to repair the damaged kitchen and for the inconvenience and distress incurred.

The company's response is that:

- The customer's claim is with the company's contractors and their internal insurance team.
- Therefore the company are unable to make a comment about the communication or time taken to process the claim.
- The company's service partners and subcontractors have their own liability insurance, which indemnifies the company, and any agreed payment should be paid by the company's liability insurance.
- The company has not made any further offers of settlement.

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 company has failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning the flooding within the customer's kitchen and the subsequent damages claim.
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, 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 in August 2021, following a visit to the customer's property to take a meter reading, it was discovered that the meter was damaged. Although the customer's property was occupied, no usage was recorded on the meter. The company made arrangements for the meter to be exchanged and, on 28 October 2021, the new meter was installed in the kitchen by the company's service partner subcontractor.
5. During the new meter install, I understand that the stop tap was not turned off, which led to flooding the customer's kitchen. On 1 March 2022, the customer sent the company a claim form for £2,236.33 relating to the damage to the kitchen. The company replied to the customer on 2 March 2022, confirming receipt of the claims form and on 15 May 2022, informed the customer that their claim had been passed onto the company's service partner.

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6. On 31 May 2022, the customer contacted the company to query the progress of the damages claim and was advised that the claim was with the company's service partner subcontractor. The evidence shows that the customer remained unhappy with the claim's progress and escalated the dispute to CCWater to resolve in July 2022.
7. I understand that following the escalation to CCWater, the company's service partner subcontractor company offered £1,000.00 to resolve the dispute, which the customer declined as she believed that the flooding had cost her in the region of £3,500.00 and that the £1,000.00 offered was insufficient to cover the excessive disruption, inconvenience, and distress. The company's position was that the company's service partners and subcontractors have their own liability insurance, which indemnifies the company, and any agreed payment ought to be paid by the company's liability insurance. On 11 August 2022, the customer commenced the WATRS adjudication process.
8. Concerning whether the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning the flooding within the customer's kitchen, the evidence shows that the flooding within the customer's cellar was caused by the company's service partner subcontractor.
9. On careful review of all the evidence, I find that I am not satisfied with the company's position that as the company's service partner subcontractor caused the damage to the customer's kitchen, the company is absolved from any liability. There is no evidence to suggest that the company's service partner subcontractor informed the customer that it was a separate entity from the company or that any damage caused by them would be covered by their own insurance. The company in its response says that it is not usually communicated to its customers that the subcontractor is a separate entity from the company or that any damage caused by them would be covered by their own insurance as it ought to have no impact on the work that is carried out. Accordingly, I find that for all intents and purposes, in the customer's eyes, the company's service partner subcontractor was the company.
10. The customer made a damages claim against the company, which the company then passed on to the company's service partner subcontractor. However, the customer has a relationship with the company, not its service partner subcontractor. The customer would have not reasonably expected the company not to take any responsibility for its service partner and its subcontractors' actions. In my view, the service partner subcontractor acts as an agent of the company and

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therefore, the company is liable for the damage to the customer's property. It may be that the company can recover any costs from its service partner subcontractor, but this is an issue between the sub-contractor and the company, not the customer.

11. In my view, the company cannot simply pass the blame for any delays in processing the claim to its subcontractors. There is no evidence that the company has chased its service partner or its subcontractor to resolve the issue.
12. Considering the above and after careful analysis of the correspondence and evidence, I find the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning the flooding within the customer's kitchen and the customer's subsequent claim.
13. The customer has requested £3,598.00 for the repair costs to the kitchen. However, whilst I sympathise with the customer, I find the redress asked of £3,598.00 disproportionate to the merits of the customer's claim. The original claim made to the company was for £2,236.33, and on a careful review of all the evidence, I am of the view, that the additional damage and labour costs are not a direct result of the company's failings. Therefore, I am satisfied that this is the correct sum the company should pay for the damage to the kitchen. Accordingly, I direct the company to pay the customer £2,236.33 for this aspect of the claim, although the company is entitled to deduct any sums that the customer has received from the subcontractor for the damages claim, if any.
14. The company has certain obligations in respect of its customer services. From the evidence provided, I am not satisfied that by the end of the company's dialogue with the customer, the company had adequately explained why it was not liable for its subcontractor's damage. Furthermore, on reviewing the various correspondence, I believe that the company did not deal with the customer's concerns efficiently and appropriately, considering the circumstances. 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 the claim.

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15. The customer and company made minor comments on the preliminary decision and having carefully considered each aspect of both comments, I find that they do not change my findings, which remain unaltered from the preliminary decision.
16. Considering the above, I am satisfied the company failed to provide its services to the customer to the standard to be reasonably expected, concerning the flooding within the customer's kitchen and the subsequent damages claim. Furthermore, I am satisfied there have been failings concerning customer service, for which the customer has not already been offered adequate compensation. Accordingly, as set out in paragraphs 13 and 14, I find that the company shall pay the customer £2,336.66 in total, although the company is entitled to deduct any sums that the customer has received from the subcontractor for the damages claim, if any.

Outcome

The company shall pay the customer £2,336.66.



Mark Ledger FCI Arb
Adjudicator

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