

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X264

Date of Final Decision: 16 December 2022

#### Party Details

Customer:

Company:

#### Complaint

The customer claims the company overcharged him as its bills were based on estimated readings due to issues with the software of the smart meters installed on his road. Furthermore, the company provided poor customer service once his issues were raised. The customer is seeking the company to apologise, recalculate the outstanding balance on his account and pay compensation for the inconvenience and distress incurred.

#### Response

The company says there is no fault with the software of its meters, and all readings used for the customer's charges were actual readings; therefore, the recorded consumption was an accurate reflection of the water used. The company admits some failures regarding customer service; however, the customer has been adequately compensated, and no further sums are due. The company has not made any offers of settlement.

#### Findings

I am satisfied the evidence shows the company did not fail to provide its services to the customer to the standard to be reasonably expected regarding its charges. Furthermore, I am satisfied there have been no failings regarding customer service for which the customer has not already been adequately compensated.

#### Outcome

The company needs to take no further action.

The customer has until 11 January 2023 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:**

- The company overcharged him as its bills were based on estimated readings due to issues with the software of the smart meters installed on his road.
- Furthermore, the company provided poor customer service once his issues were raised.
- The customer is seeking the company to apologise, recalculate the outstanding balance on his account and pay compensation for the inconvenience and distress incurred.

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

- There is no fault with the software of its meters, and all readings used for the customer's charges were actual readings; therefore, the recorded consumption was an accurate reflection of the water used.
- The company admits some failures regarding customer service; however, the customer has been adequately compensated, and no further sums are due.

## 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.

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

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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's charges were based on estimated readings due to issues with the software of the smart meters and whether he has been billed correctly.
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. Furthermore, the company has certain obligations regarding its customer services as set out in the OFWAT Guaranteed Standards Scheme and the company's Customer Guarantee Scheme.
4. Under Section 142 to 143 of the Water Industry Act 1991, the company is permitted to charge for water and wastewater services provided and make a Charges Scheme which essentially fixes charges to be paid for services provided. However, as made clear in WATRS Rule 3.5, "any matters over which OFWAT has powers to determine an outcome" cannot be considered by WATRS. The question of whether a company has adhered to Sections 142 to 143 of the Water Industry Act 1991 is a matter for OFWAT to determine, and therefore I will make no findings on this matter in this decision.
5. From the evidence put forward by the company, I understand that in March 2019, the company excavated the Outside Stop Valves in the customer's street, replaced them with boundary boxes, and installed smart meters for each property. On 4 May 2020, the customer's one-year comparison period expired, and the customer was switched from being charged on a Rateable Value basis to being charged on a metered basis. I understand that once the company had offset an existing credit on the customer's account, it set up a payment plan of £28.00 per month commencing June 2020.
6. On 30 September 2020, the company emailed the customer advising him that he was in arrears on his payment plan. This email was followed on 28 October 2020 by a further email advising the customer he was now £140.00 behind on his payment plan.

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7. On 11 November 2020, the company received an application for its WaterSure scheme, and the company applied the revised tariff from 16 October 2020. A new payment plan was set up of £28.00 per month commencing February 2021.
8. Following further contact from the customer, on 26 January 2021, the company explained that the WaterSure cap for the billing year 1 April 2020 to 31 March 2021 was £395.00 and a minimum monthly payment should be £33.00 despite the company keeping his monthly payments at £28.00. The company further explained that if his usage had exceeded the annual cap, a credit would automatically be applied to his account and would show on his bill to ensure his annual charge would not exceed £395.00.
9. The evidence shows that the customer's WaterSure tariff was renewed in September 2021 despite the customer being behind on his payment plan. In October 2021, the customer contacted the company regarding his charges, and the customer was advised that his charges were based on estimated readings. Furthermore, the customer's monthly payment was increased to £50.00 to reduce his arrears.
10. The customer was unhappy with the company's increase in monthly charges as he believed that the company's software was giving misleading estimated readings and, in May 2022, progressed his complaint to CCWater. As a result of the discussions with CCWater, the company made various goodwill and Customer Guarantee Scheme payments as it was discovered that in October 2021, the customer had been incorrectly advised that his charges were based on estimated readings, not actual, and that the company had failed to provide a good level of service on a couple of occasions. However, the customer remained unhappy and, on 8 August 2022, commenced the WATRS adjudication process.
11. Regarding the customer's comments that his charges were based on estimated readings due to issues with the software of the smart meters, the evidence shows that the company has not had any problems receiving the wireless meter readings from the customer's meter or any of the other properties on his road. Furthermore, the company has never issued an estimated bill for the customer, as shown in the company's spreadsheet included within its response; all the company's bills have been based on actual meter readings. I understand the company receive meter readings on an hourly basis from the smart meter connected to the customer's water supply.

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12. The evidence shows that the company's payment plans are calculated using the customer's previous meter readings which enable the company to estimate what will be billed in the forthcoming 12 months. In addition, the company adds any arrears on the account at the time of setting the payment plan so that by the end of the 12-month payment plan, the customer will have cleared his arrears and continued to pay for their ongoing water usage.
13. The evidence shows that where the company has changed the customer's monthly payment, he has been notified via the bills which explain the justification for the change in monthly payment. The bills set out what the company expected the customer to use in the forthcoming 12 months and whether there is an outstanding balance which would be included in the annual payment plan. I note that the company also explained within its correspondence with the customer how it set his payment plan and confirmed what payments it had received from him.
14. With no software errors and the meter readings based on actual readings, I find that the increase in customer charges is likely due to missed payments in the payment plan rather than any software error, and this means that the arrears on the customer's account have continued to grow rather than reduce.
15. Furthermore, the evidence shows that the company has adequately explained why its charges have been determined from the customer's actual meter readings. Bearing this in mind, I find that the company has not failed to provide its services to the standard one would reasonably expect regarding billing. Accordingly, I find the company does not have to recalculate the outstanding balance on the customer's account.
16. The company has certain obligations in respect of its customer services. From the evidence provided, I am satisfied that the company accepts it provided poor service in this respect. This poor service is explained in the company's response.
17. I note that the company has made goodwill payments totalling £120.00 and various Guaranteed Standards Scheme payments for incorrectly advising the customer that his charges were based on estimated readings, putting a debt recovery hold on his account which prevented reminders being sent and various confusion and slow responses to the customer.

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18. After carefully considering all the evidence put forward by both parties, I find the various goodwill payments and the Guaranteed Standards Scheme payment are appropriate compensation for the failings regarding the various confusion and slow responses to the customer, putting a debt recovery hold on his account and the confusion surrounding that his charges were based on estimated readings.
19. The customer has requested an apology from the company. Having carefully considered the various correspondence put forward in evidence, I am satisfied that the company has failed to provide its customer services to the standard expected by the average person. However, as stated above, 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.
20. The customer and company have both made comments on the preliminary decision and having carefully considered each aspect of both sets of comments, I find that they do not change my findings, which remain unaltered from the preliminary decision.
21. Considering the above, I am satisfied that the company did not fail to provide its services to the standard to be reasonably expected concerning the customer's charges. Furthermore, I am satisfied there have been no failings concerning customer service for which the customer has not already been paid adequate compensation, as the company has provided a good level of service at all other times throughout its dialogue with the customer.

#### **Outcome**

The company needs to take no further action.

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

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 11 January 2023 to accept or reject this decision.

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- 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.



**Mark Ledger FCI Arb**  
**Adjudicator**

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