

WATRS

Water Redress Scheme

ADJUDICATOR'S PRELIMINARY DECISION SUMMARY

Adjudication Reference: WAT/XX/X287

Date of Preliminary Decision: 21 December 2022

Party Details

Customer: The Customer

Company: The Company

Complaint

The customer states that her water bills have significantly reduced since the company switched her account to Assess Household Charge. The customer states that as the company incorrectly placed her on its Rateable Value tariff when she moved into the property and did not sufficiently advertise the Assess Household Charge, she requests that the company refund to her Rateable Value overcharges of £1,153.00.

Response

The company states that it was entitled to raised charges based on the Rateable Value of the customer's property; however, customers may apply for a water meter in order to receive measured water bills. It informs customers on bills about savings they may make by applying for a water meter which signpost to its website. When the customer advised she wanted to be billed on its Assess Household Charge, it correctly advised her she would first need to apply for a meter. As it was unable to fit a meter it correctly switched her account to its Assess Household Charge in accordance with its Charges Scheme. There is no provision in its Charges Schemes to backdate the charge as Assess Household Charge strictly only begins from the date the property is found unmeterable. Therefore, it is not responsible to refund any monies to the customer.

Preliminary Findings

The company was entitled to raise charges based on the Rateable Value of the property as this is a valid and legal basis for charging. I find that by switching the customer's account to its Single Occupier Assess Household Charge after it was unable to fulfil her request to fit a water meter, the company acted in accordance with its obligations set out in its Charges Scheme, approved by Ofcom. However, there was an unreasonable delay by the company in

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responding to the customer's complaint. This shows the service provided by the company did not reach the standard to be reasonable expected. However, I find credits it applied totalling £80.00 in recognition of the delay, was reasonable. Nonetheless, the company has not provided any written apology directly to the customer for the delay as such it is reasonable to direct the company to do so.

Please note, this Preliminary Decision is subject to comments from both parties and the Findings may subsequently change. This will be recorded in a Final Decision. Please refer to the 'What happens next?' section for more information.

**Preliminary
Outcome**

The company needs to take the following further action:

- Provide the customer with a written apology for the unreasonable delay in replying to her complaint.

Please note, this Preliminary Decision is subject to comments from both parties and the Outcome may subsequently change. This will be recorded in a Final Decision. Please refer to the 'What happens next?' section for more information.

What happens next?

- If you think the adjudicator has misunderstood the facts or not taken a piece of evidence into account - you have 5 working days from the date of this Preliminary Decision to provide any comments you have.
- Depending on the comments received the adjudicator can amend the outcome/s reached in the Preliminary Decision, before it is sent to both parties as the Final Decision.
- The Final Decision will be sent to you within 5 working days of the adjudicator receiving any comments on the Preliminary Decision.
- If no comments from either party are received, this Preliminary Decision will appear as the Final Decision.
- Once the Final Decision is issued, this will then finalise the adjudication process with no further appeals or review available.

The parties have until 31 December 2022 to comment on this preliminary decision.

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ADJUDICATOR'S PRELIMINARY DECISION

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Case Outline

The customer's complaint is that:

- Her complaint about overcharges has been treated as a “straightforward” tariff change that cannot be backdated; however, the customer argues that the company incorrectly placed her on the Rateable Value (RV) tariff whereby she was paying “almost double” than she should have been paying.
- The company has been careful not to advertise to customers the availability of the Assessed Household Charge (AHC), which she states is a way for customers who live alone to reduce their bills. This shows the company has failed to treat its customers fairly.
- She states the company does not inform customers of the existence of its AHC tariff or that the route to being placed on this tariff is via requesting a water meter installation. As such, she disputes the claim in the company's promotional material that it wants customers to be on the right tariff.
- She had to chase the company on two occasions before it provided a response to her complaint raised.
- The customer requests that the company reimburse her £1,153.00 in overcharges on the RV tariff from July 2015 to February 2022, plus interest.

The company's response is that:

- The customer has held an account at the property since 26 June 2015.
- Sections 142-143 of the Water Industry Act 1991 (the Act) allow water companies to charge customers in accordance with a Charges Scheme as agreed with Ofwat. Section 5 of its Charges Scheme expressly allows bills to be raised based on the RV of the property.

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- The RV for the customer's property which was set by the Rating Office of the Inland Revenue in the 1970's is £254.00. RVs no longer exist but water companies under Section 145 of the Act are permitted to use RVs to calculate unmetered charges.
- The customer was then sent annual bills based on the RV tariff.
- Its records show that it has never received any contact from the customer directly until 10 February 2022 when she called advising she wanted to be billed the same as her landlord on AHC for a single occupier (SO). It advised her that she must apply for a meter first to see if her property could be metered.
- The customer applied for a meter but its survey revealed one could not be fitted to her water supply. Therefore, the company states it correctly advised that she would be transferred to its SO AHC tariff. It changed her account to this on 21 February 2022. It confirmed this change in a letter sent to the customer on 24 February 2022.
- On the same day it sent a revised RV and SO AHC bill for the period 1 April 2021 to 31 March 2023.
- On 4 March 2022, it received a letter from the customer requesting a refund of "overpayments" in relation to historic unmetered charges she had paid based on RV compared to her new SO AHC which it is now billing her on.
- Regrettably due to high volumes of work, it did not get in touch with the customer within the Customer Guarantee Scheme (CGS) timescale of 10 working days.
- The company apologises for the delays and states that it subsequently applied credits of £20.00, and £10.00 to the customer's account in recognition of this delay.
- The customer contacted it again on 30 March 2022 and 26 April 2022 and the company apologises that it was late in replying to her again. It states it has applied further credits of £30.00 and £20.00.
- It tried to call the customer on 14 and 15 of June 2022; however, it was unsuccessful in getting through to her and on 15 June 2022 sent a response to her complaint explaining it was unable to back date her tariff/ refund charges.
- It has always included on customers' bills and annual billing leaflets, information about the savings customers can make if they apply for a meter and can have one fitted to their water supplies.
- It signposts its customers to its website so they can understand its charges and tariffs - including the AHC and details how they can also apply for a meter.
- Its website directs customers to its Code of Practice: 'Our charges and your bills' (the Code) and its Charges Scheme which both explain that if a customer applies for a meter but one cannot be

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fitted, it will transfer them to its AHC. AHC tariffs cannot be applied for, it can only be used as a basis of charging if a meter cannot be fitted and AHC is cheaper than RV based charges.

- Therefore by using signposting, it is comfortable that it has provided all information about AHC.
- Under the Act and its Charges Schemes, a customer must elect for charging on a metered basis, and until such time as a customer does so, the RV tariff is the legal basis of charging.
- It maintains it has provided information to the customer about metering. There is no evidence to show that it has charged the customer incorrectly on the RV basis between the time when she moved into the property and when the property was surveyed and found to be unmeterable. On this basis, it does not agree to refund any monies paid by the customer.

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's claim relates to alleged overcharges from the company. The customer claims that the company incorrectly placed her on its RV tariff, resulting in her paying "almost double" the charges that she now pays via the company's SO AHC tariff. The customer requests a refund of the RV overcharges.

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2. The company states the customer was correctly placed on its RV tariff; however, when she asked for a water meter, it switched her to metered charging via its SO AHC as it was unable to fit a water meter. The company maintains it has acted in accordance with its Charges Scheme and Code.
3. I note that before April 1990, every property in England and Wales was given a RV based on how much the property could be let for. Further, in accordance with sections 142 -143 of the Act, I find that water companies are able to charge customers in accordance with a Charges Scheme as agreed with Ofwat. Section 5 of the company's Charges Scheme expressly allows bills to be raised based on the RV of the property.
4. Therefore, I am satisfied that by placing the customer on its RV tariff when she moved into the property in 2015 and by issuing annual bills based on the RV tariff, the company acted in accordance with the Act and its Charges Scheme which I accept has been approved by Ofcom. Therefore, I find that the company's actions in this regard do not constitute evidence of its service provided not reaching the standard to be reasonably expected.
5. In accordance with section 144 of the Act, a customer can apply for the installation of a water meter in order for their (unmeasured) RV based charge to be replaced with metered charges. Furthermore, the company's Charges Scheme and Code makes clear that the AHC cannot be applied for and can only be used as a basis of charge if a meter cannot be fitted (and AHC is cheaper than RV based charges). This position is echoed by Ofwat on its website.
6. It is evident that in response to the customer's 10 February 2022 request to the company to be placed on the company's AHC, it advised her that she needed to apply for a water meter first to see if her property could be metered, which she did. On 24 February 2022, the company advised the customer that:
 - a. It was unable to fit a water meter as it could not access her internal stop valve.
 - b. It had switched her account to its AHC as it had found by comparing this with her current RV charges that she would pay less on its AHC, as this was based on the average water use of its customers in a similar sized homes as hers.
 - c. It had also put her on its single occupier rate to ensure she was not overpaying for her water charges.

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7. Therefore, I am satisfied that by promptly switching the customer's account to SO AHC following her request a water meter and after it confirmed it was unable to fit a meter, the company acted in accordance with its Charges Scheme and Code and so provided its services to the standard to be expected.
8. Regarding the customer's request to backdate the AHC or refund RV charges raised, whilst I acknowledge and accept that the customer is paying significantly lower charges on SO AHC, I find no evidence of any obligation in the company's Charges Scheme or elsewhere requiring it to backdate the AHC. Rather, I find its Charges Scheme states that AHC is applicable from the date the property is found unmetrable. Therefore, I find no basis to justify directing the company to backdate the AHC or refund RV charges raised as sought.
9. Regarding the customer's suggestion that the company has not taken sufficient or reasonable steps to make customers aware that AHC may be a way for people living on their own to reduce bills, the company disputes this stating its bills and annual leaflets includes information about saving customers can make if they apply for a meter. Furthermore, the company states that information about AHC is located on its website which customers are signposted to in bills and leaflets.
10. The company's Response includes screenshots from its website which I accept provides information about AHC and also provides a link to its Charges Scheme which gives details of typical charges based on the number of bedrooms (on page 34). Therefore, on balance I am satisfied that the company has demonstrated that it has made reasonable endeavours to inform customers of potential savings that can be made via having a water meter or AHC if a water cannot be fitted. As such, I find no evidence of the company's service not reaching the standard to be reasonably expected in this regard.
11. The customer also raises a concern that she had to chase the company before it provided a response to her complaint raised. It is evident that following the customer's complaint letter received by the company on 4 March 2022, it did not provide the customer with a response until 15 June 2022. I note its response was only provided after the customer contacted the company on two further occasions on 30 March and 26 April 2022 when she chased it for a response to her complaint. I find this was an unreasonable delay by the company and as such constitutes evidence

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of the company's service not reaching the standard to be reasonably expected. However, in its Response the company has evidenced that it applied CGS payments totalling £80.00 to the customer's account in recognition of its delay in responding to her complaint. On balance, I am satisfied this amount of compensation is reasonable. Nonetheless, whilst in its Response the company has offered an apology for the delay, as there is no evidence of the company having provided a written apology directly to the customer at the time, I find it reasonable to direct that the company provide a written apology to the customer for the delay on this basis.

Outcome

The company needs to take the following further action:

- Provide the customer with a written apology for the unreasonable delay in replying to her complaint.

Please note that this is a preliminary decision and the outcome may be subject to change dependent on the comments received by the parties. This will be recorded in the Final Decision.



A. Jennings-Mitchell, Ba (Hons), DipLaw, PgDip (Legal Practice)

Adjudicator

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