WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT X291

Date of Final Decision: 5 January 2023

Party Details

Customer:

Company:

Complaint

The customer complains that the company installed a water meter on her shared supply in 2010 and failed to note when it refused to instal a meter on her neighbour's supply, this meant that she was paying water charges in respect of both properties. The customer complains that although the company has repaid £969.43 by way of the difference between her payments and the single occupancy assessed household charge, this is insufficient compensation and that the payment of £300.00 compensation for inconvenience and distress is insufficient and should have been within tier 3 of the WATRS Guide to Inconvenience and Distress. The customer refers to the fact that the company has, in its response to her application, doubted her claim that she was the sole occupant of the property. She asks for repayment of half of the amount of the bills, £1,500.00 by way of compensation for inconvenience and distress and interest.

Response

The company says that the meter was installed in 2011 but should not have been because the supply was shared with her neighbour. The customer would have been entitled to the assessed household occupancy charge. It says that as the customer had children, she would not have been entitled to the sole occupancy charge but she has been compensated on the basis that she is the sole occupant. Although it appeared to be suggested by the company that she had been refunded the difference between the amount that she has paid and the sum that she would have paid as a sole occupier under the assessed household charge, namely £969.43, the company has acknowledged following the Proposed Decision that this sum has not been paid but the customer is entitled to request payment. The award of £300.00 compensation for inconvenience and distress is sufficient but this also has not been paid. The company indicates that this will be paid on request by the customer.

Findings

I find that the company did not provide its services to the expected standard because the customer's supply should not have been connected to a water

meter. The company has carried out its approach to compensation by reference to the correct principles but it has not made payment of the amount payable and has not paid the £300.00 compensation for inconvenience and distress. The company has also had use of the customer's money for more than a decade and because of the company's error the customer has been deprived of this. The company has explained that its staff instructions do not permit the payment of interest. As there is an ongoing dispute relating to incorrectly levied charges and the customer has requested a payment of interest, the customer is eligible for interest under rule 6.7 of the Scheme Rules. Taking into account rule 6.1 of the Scheme Rules, my Preliminary Decision indicated that interest would be awarded up to a date when I had believed payment to have been made (13 September 2021) and not up to the date of this decision. However, as the company has now acknowledged that the sum has not been paid to the customer, the company should be directed to make payment of £969.43 as promised and the interest on that sum is in the Final Decision recalculated to the date of this decision. In respect of compensation for inconvenience and distress, I find that this claim does not fall within tier 3 of the WATRS Guide and the payment of £300.00 is fair and reasonable. This sum should also now be paid to the customer.

Outcome

The company needs to pay the customer:

1. A refund of £969.43 as indicated by the company to be due;
2. Compensation for inconvenience and distress of £300.00; and
3. £623.19 by way of interest on the customer's overpayments since 2011.

ADJUDICATOR'S FINAL DECISION

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Case Outline

The customer's complaint is that:

- The customer complains that when a water meter was fitted in 2010, the company did not realise that her supply was shared with another apartment on the same block of flats. She has therefore been paying the bill for two apartments when only one apartment should have been metered.
- The customer was offered compensation based on the average usage of a single person's consumption, but no explanation as to why the company thought this to have been suitable, especially as the flat below was occupied by a couple and a baby.
- The customer also complains that over this 10-year period she called the company 30 to 40 times but did not receive a call-back.
- The customer asks for compensation of £1,500.00 for inconvenience and distress and a refund of half of all the bills paid and interest.

The company's response is that:

- The customer has held a metered account since 8 August 2011 following the customer's application to convert to metered charges. The customer's account had previously been unmetered. Her unmetered bill for 2011-2012 was £312.70. (The RV charges for this property for 2022-23 would now be £470.00 following price rises since that time.) The customer's meter was incorrectly connected to a shared supply and the customer has therefore been incorrectly charged on this account since the meter fit date.
- From 2011 to 2019 the customer did not raise any concerns about her bills and neither did she advise the company of any financial difficulties.
- In 2019, the company began using a new billing system (C4C) for its customers. The customer's account on its old system (CIS) was closed and a new account was opened reference number REDACTED.
- The following then occurred:
    - On 6 May 2021 the customer called to advise that she had received a bill based on meter readings, but she had not been living in the property for the past nine months.

She believed the meter was connected to a shared supply. The company immediately raised an investigation, and an appointment was booked for 17 June 2021.

- On 17 June 2021, it was confirmed that the meter was connected to a shared supply.
- After two attempts at contacting the customer, the company closed the matter. The customer then called and advised that she wanted a refund of £2,000.00. The company said that the matter was in hand, and she would be contacted once the calculations were completed.
- On 13 July 2021 the customer called and once again advised she wanted a £2,000.00 refund and wanted also to speak to a manager. The company arranged a call back and tried three times to reach her.
- On 15 July 2021 the customer called and asked when she would receive resolution of her complaint. The company advised her of the timescale for this type of work to be completed. The company says that this is normally fifty working days.
- On 24 August 2021, the customer called again, and the issue was escalated. The customer was told that the company would get back to her in 10 working days.
- The company says that it maximised the refund with charges based on the Single Occupancy Assessed Household Charge (SO AHC) because this would have been applied to her property. It was impossible to calculate how much metered water services were used by the customer and similarly how much her neighbour had used. The company would have billed the customer £1,004.90 on her CIS account and £725.50 on C4C to the date of the last bill. As such, REDACTED was due a refund of £969.43.
- On 8 September 2021 the customer called the company which advised of the outcome on the following day. The customer complained that the company had taken too long to resolve this matter for her. The company advised that it would make a goodwill payment of £50.00 to her account. However, the customer advised that she wanted the company to estimate how much she would have been charged on a meter and to refund her any overcharge and not use SO AHC because she felt her credit would be £2,000.00 instead of £969.43. The agent she spoke to advised it was not possible for her to make that decision and she would speak to her manager. £50.00 was credited to the customer's account that day.
- The company confirmed its position and that remains its position.

- The company said in its response to the application that it has offered an apology and made credits of £969.43 in respect of the overpayment, however, it has now acknowledged following the customer's comments on my Preliminary Decision that the refund has not yet been made and that an award under this Scheme will be made by cheque. The company has also offered goodwill payments totalling £300.00 (and a Customer Guarantee Scheme payment for a late response)

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. It is common ground between the parties that the company has wrongly connected a meter to the customer's water supply. This was ineligible for a meter because the supply was shared and therefore also provided water to another customer. I find therefore that the customer has been asked to pay a charge for another customer's water supply. It is common ground between the parties that the customer is entitled to a refund of some sort.

2. Although there is a difference of view about the date of installation of the meter, the company has the more detailed records and I find that it is probable that the meter was installed in August 2011 rather than in 2010 as suggested by the customer. The company does not take any point

on limitation of the customer's claim. I therefore find that the customer is not prevented from asking for compensation which exceeds 6 years from the date of her complaint or from her application to WATRS and it is fair and reasonable that her claim for compensation should be calculated from August 2011.

3. The issue between the parties is as to the way in which compensation to the customer should be calculated.

4. The customer says that she should be repaid:
    a. The amount of her bills that is attributable to the usage of the other customer; and
    b. Compensation for inconvenience of a sum larger than the £300.00 offered. She asks for £1,500.00.

5. In support of her claim for compensation for inconvenience and distress she argues:
    a. Compensation should be assessed under Tier 3 of the WATRS Guide to Compensation for Inconvenience and Distress. In response to the company's suggestion that it only became aware of the shared supply in June 2021, the customer says that the company became aware of the shared supply when it had refused to fit a water meter to the neighbour's property, which she says was 10 years ago.
    b. That there are strong parallels between her case and a complaint supporting tier 3 in that Guide in which £700.00 had been awarded by an adjudicator for distress and inconvenience.
    c. The company has been responsible for almost all the "aggravating factors" listed by WATRS. The customer says that:
        i. She was incorrectly billed for 10 years
        ii. Numerous elements of the complaint were of a serious nature.
        iii. The customer has suffered enormous inconvenience over a period of a year and a half now. She says that she called the company over 30 times, she was cut off on numerous occasions from their call centre because the lines were poor, and on at least 15 occasions she rang to be told the waiting times were incredibly long which was not suitable for a single parent looking after baby twins.
        iv. There is an absence of evidence that her complaint has been taken seriously or there has been insufficient investigation and the customer had to prompt responses from the company on many occasions. The customer says that covid is not an excuse.

v. The tone of responses was unhelpful to the resolution of the complaint (eg – suggesting that the customer was lying about how many people were living in the flat, that she must have had a partner living with her if she was pregnant, also suggesting that if she was not financially struggling, then its liability for this should be reduced). The customer also says that she was often unable to receive call backs from the company because she was caring for her twin babies and therefore unable to answer the phone. The company rarely called at agreed times, and the customer was not able to reach her phone much of the time. She says that when she did answer, she often had to deal with lengthy unhelpful calls, with two tiny children screaming in the background, which was incredibly difficult.

vi. There is little evidence of attempts to remedy the problem. This was clear from the number of times the customer had to chase the company - both the calls they documented and the calls the customer made which were terminated mid-way or never answered.

vii. There were excessive or unexplained delays. The customer says that covid was not an excuse.

viii. The customer was required to take additional or unnecessary steps by approaching the Consumer Council for Water (CCWater) and then WATRS.

ix. There is little evidence that the company has provided the customer with such payments, or evidence that such payments were not provided in a timely manner. The customer says that the company repeatedly gave her incorrect calculations for the compensation and was unable to explain them on numerous occasions – as admitted in its submission.

x. The customer observed the complaints process and complied with requests for further information because she went to CCWater and WATRS as advised.

xi. Delays caused by customer were communicated to the company and/or were reasonable because she did not know that she was being incorrectly billed.

6. The company argues that the correct calculation requires the application of the assessed household charge and refund of the difference. In its response to the customer's application, the company indicated that, as a refund had been made and compensation for inconvenience has been paid in the following ways and amounts nothing further is payable:

> *… we have considered the service REDACTED has received and in addition to this, we have provided her with gestures for the time it took us to resolve the issue for her. The gestures are itemised below:*

£50.00 - for the time taken to carry out the adjustments on REDACTED account

£90.00 - detailed in our cost table on 15 December 2021

£100.00 - following our conversation on 17 December 2021 and in an effort to bring the complaint to an end

£60.00 – [equating to £10.00 per month for four months since the customer's complaint was handled by "REDACTED" and £20.00 for the original error].

7. The company also suggested that the customer has received an overpayment by way of the assessed household charge because the customer had children living with her and perhaps a partner. It said:

> *I note that none of our CCM's have sought to establish whether REDACTED has been a single occupant of the property for the entire length of her residence. Indeed, I note from the records that REDACTED is NOT a single occupant as she has two small children. This means she is not eligible for the single occupancy rate. Further, we must then question whether REDACTED had a partner living with her throughout all or at least some of the time she was resident in the property. What is clear from this is that REDACTED has now financially benefitted from us not making full and thorough enquiries concerning the number of occupants living at the property throughout the adjustment period.*

8. The customer responded:

> *I think it is disgraceful that when I question* REDACTED *competence, they frame me as a liar, as they are doing here. I was indeed a single occupant of the property for the entire length of my residence there, which you would see from my council tax bills. The only time it was occupied by anyone else, was when I sublet for a shortlet for 8 weeks during the summer of 2020, once I had left the premises. I left at the beginning of lockdown to move in with my parents as I was pregnant, as a single parent, with twins, who were born on April 27 2020, once I had left the property.* REDACTED *will know that after some time I changed my address for communications with them for this purpose to* REDACTED*. It is outrageous that* REDACTED *are "framing" me as somehow dishonest, when I am simply recounting the events which took place and they should certainly not be making assumptions about my relationship status based on information about me being pregnant or having children.*

Overpayment

9. As indicated above, the company wrongly fitted a meter and the customer was not charged in accordance with the SO AHC. I find that by fitting a meter to a shared supply, the company did not meet the standards of service that an average customer would reasonably expect, and it exposed the customer to overpayments over a lengthy period until the problem came to light.

10. The customer's account includes that in 2020 she was told by a neighbour that the company had refused to fit a water meter on his supply, and she says that the company therefore ought to have been able to identify that she was being incorrectly charged. However, there is no evidence that the company became aware that a meter had been fitted to the customer's supply such that she was being charged for her neighbour's water. Without more information about the inspection and the information which the company acquired at that point as well as information about its reporting expectations and systems, I can reach no conclusion that the company did not meet expected standards in the respect of the customer's situation at that point.

11. I find that the company has in part approached the calculation of the refund to the customer in the manner that an average customer would reasonably expect.

12. I find that an average customer would reasonably expect a company to have charged the customer in accordance with the arrangements explained to customers in its Charges Scheme. This includes at section 5.3 of the Charges scheme, the way in which customers will be asked to pay for water if a meter cannot be installed. In this case, it is explained that where customers cannot have a meter fitted (which I find was the case on a shared supply), the customer will be charged in accordance with the assessed household charge. Section 5.3.4 of the Charges Scheme states that this is calculated by multiplying the average water consumption of properties with the same number of bedrooms by the relevant rate per cubic metre. A single occupier is entitled to a reduced amount called a "single occupier charge".

13. The documentation shows that the company has applied the single occupier charge retrospectively in calculating the amount due by way of refund. I note in its response to this claim the company has suggested (as quoted above) that this charge may have been wrongly applied. The company appears to have had no supporting evidence for that suggestion and it is denied by the customer whose personal circumstances were explained. I find that the company's observations in that regard were unfortunate: the company was aware at the time that the problem came to light that the customer was not then living in the property and until the time that the customer ceased to live in the property there is no evidence that any other

individual was an occupier. I find that an unsubstantiated allegation of this type against a customer would not reasonably be expected and while I cannot direct redress in this respect because it has arisen in the course of the ADR process, I do not place weight on this contention by the company.

14. I find that an average customer would reasonably have expected the company to calculate a refund to a customer which put the customer back in the position she would have been in if the problem had not happened in the first place. The customer has also made clear that she accepts that principle. I find, therefore, that "the problem" was the fitting of a meter rather than applying the single occupier assessed household charge and therefore I am satisfied that this is corrected in principle by repaying the customer the difference between the amount that she has paid and the amount that she should have paid. The company says that this is a relatively small amount because the usage was relatively modest. Had the company carried out some sort of calculation of how much use might have been made of the water by the other customer – for example, by halving the charges as the customer suggests – this would not, I find, have achieved a fair or reasonable outcome and would have overpaid the customer for the mistake made.

15. The amount of the repayment is £969.43. Although the customer says that she was told various different figures at different times, I find that the company has maintained a settled view that this is the correct amount (save that at one point there was a calculation error which added another 45p). I am mindful that adjudication is an evidence-based process, and I would only be able to make a change to that figure if there were evidence that the company has wrongly calculated this. I do not find there to be such evidence. I am satisfied that the correct amount of the repayment is £969.43. Following the comments of both parties on my Preliminary Decision I am aware that this sum has not been paid to the customer and I direct that it now shall be paid.

16. I am also mindful, however, that in putting the customer back in the position that she would have been in had the problem not arisen, she has also been kept out of the use of her money. The customer has overpaid for a long period and therefore the company has had use of money which the customer should have been able to spend and enjoy. This aspect of the customer's claim that she has been treated unfairly has not been considered by the company. I find that an average customer would reasonably expect that the company would have taken this into account, and I return to this issue below under the heading "Interest".

Inconvenience and distress

17. I make clear that I do not regard the example given in the WATRS Guide to Compensation as equivalent to the customer's situation. She has been asked to make payments which exceed the amount due from her by less than £1,000.00 over a 10-year period. Although the customer says that she was careful about the amount of water used after the meter was fitted, she does not appear to have had difficulty in meeting the bills in question. She does not state that she was exposed to distress or hardship. When the situation came to light, the customer was told at an early stage that she would be getting something back. Her situation was therefore going to improve over that which she had wrongfully been led to believe had previously been the case. In the example given in the Guide, while I take into account that only a few facts are available, the applicant had been undercharged for a 10-year period leading to a very large bill (and probably "bill-shock" whereby he was suddenly asked to make a payment of more than £700.00 for which he may not have had the means) and was additionally wrongly made the subject of a £25.00 charge. I find that suddenly being exposed to an unexpected liability is a very worrying and distressing situation because customers may not have prepared their financial situation. It is also unclear from the report how this may have come about and what opportunities the company may have had to rectify this. It follows from the above that I do not accept that the customer has shown that her case is inevitably entitled to be considered within Tier 3 of the Guide.

18. I do, however, note that the documentation shows that since discovery of the position in 2020, the customer had to make a significant number of calls to the company to prompt responses and the process of arriving at the company's final position took a considerable time. This is borne out by the company's own records of events and its offer of compensation of £300.00.

19. I take into account that there have been nearly two years of debate. The customer has, however, been compensated for delays by the provision of goodwill payments and the payments of £90.00 and £100.00 were intended to compensate the customer for the situation overall. These amounts bring the level of compensation comfortably within Tier 2 of the Guide. Since April 2022, the company's position has been maintained, and although the customer has gone through a process with CCWater in relation to both the company's approach to compensation and her claim to be treated as within Tier 3 of the Guide, I have not upheld these arguments.

20. In respect of the comments made by the company regarding the customer's domestic arrangements, I find that these remarks were not made until the response in this adjudication. I find that this, therefore, did not form part of the distress experienced before the company's final

offer but in respect of an argument as to why the compensation should not be increased. Although these comments (I find incorrectly) suggest that the customer had not provided accurate information to the company and thus had obtained a benefit to which she was not entitled were, I find, capable of causing distress to an average customer, this concern falls outside the scope of this Scheme because it has been raised in the course of the ADR process..

21. I have considered the number of calls that the customer has said she made, approximately half of which she says failed at a stage when she was told that there would be a long wait for connection. I find that this was useful information given to customers to help them decide whether to proceed with contact at that time. The fact that the customer did not then proceed was not, I find, an aggravating factor and nor was it an aggravating factor that the lines were poor or overused when the customer tried to make contact. There is no evidence that the company would have been aware of the customer's problems or that it could have done anything about telephony problems she was experiencing.

22. I do not find that there is evidence that the company did not take the customer's claim seriously. It very quickly explained that there would be a significant level of refund and some goodwill payment and it has engaged with the customer. While I note that the final resolution was somewhat slow, I accept the company's explanation that the pandemic is likely to have played some part on this and I do not find that there is evidence of indifference. The customer complains that she had to take "unnecessary steps" by contacting CCWater and WATRS, I find that this formed part of the dispute resolution process which the customer was keen to pursue. This was not, I find, an aggravating factor.

23. Overall, I find that in respect of the amount of £300.00 by way of compensation for Inconvenience and Distress, which I had understood at the time of my Preliminary Decision to have been paid by the company to the customer, was fair and reasonable. As I am now informed by both parties that this has not been paid, I direct that this shall be paid. I do not direct any further payment under this head of claim.

Interest

24. A claim for interest was not recognised by the company, which has stated that its staff instructions regarding compensation for inconvenience and distress do not permit the giving of interest on repayments. Interest is to compensate customers for the loss of the use of money that they have overpaid to the company: it is not a form of inconvenience or distress caused by

delay or by the initial situation. Once the matter has been brought to WATRS, however, interest may become payable because of the WATRS rules.

25. Rule 6.7 f the Scheme Rules states:

> *Subject to the limits set out in Rule 6.4 where in a dispute relating to incorrectly levied charges a customer requests a payment of interest, the adjudicator shall award interest at a rate equivalent to the rate applicable under section 69 of the County Court Act 1984 from the day when payment of the incorrect sum was made until the date of the decision.*

26. This is a mandatory provision. I have found that the customer's dispute concerned incorrectly levied charges, and my decision upholds the company's concession on this. The customer has not agreed because she says that the compensation was insufficient and her complaint centres on the fact that she has paid too much money to the company. Moreover, it is now clear that she has received no refund. I find therefore that as at the date of this decision there remains an open dispute about incorrectly levied charges. I find that this rule is thus engaged, and I also find that I must award interest.

27. The rule states that I must calculate interest to the date of the decision. When I previously believed the date of payment to be 13 September 2021, I calculated interest to that date but as I now know that the sum of £969.43 has not been paid to the customer, I calculate interest to the date of this Final Decision.

28. In the Preliminary Decision the method that I used to calculate the interest was to take the 16 bills set out by the company in its communication to the customer on 12 April 2022 and I applied the rebate of £969.43 evenly to each bill, as the assessed charge would have applied evenly. This gave a deduction from each bill of £60.59. This was in each case an overpayment of that amount and the interest calculation is therefore at the County Court rate of 8% simple interest per annum from the payment date of each bill. I have also taken the start of the period for which the bill was levied as the payment date and I concluded this at 13 September 2021.

29. The calculation was therefore as follows:

Bill date	Amount	No of days	20.12.22 at 8% pa

8.8.11	60.59	3690	48.96
18.1.12	60.59	3527	46.80
27.3.12	60.59	3458	45.89
17.9.12	60.59	3284	43.54
30.11.12	60.59	3210	42.60
4.4.13	60.59	3085	40.94
31.3.14	60.59	2724	36.15
29.9.14	60.59	2542	33.73
1.4.15	60.59	2358	31.29
19.9.15	60.59	2187	29.02
31.3.16	60.59	1993	26.44
26.9.16	60.59	1811	24.03
18.3.17	60.59	1641	21.78
26.9.17	60.59	1449	19.23
4.4.18	60.59	1259	16.71
2.10.18	60.59	1078	14.30
		TOTAL	**£521.41**

30. In its response to my Preliminary Decision the company has not challenged this methodology and has stated (despite the invitation in my Proposed Decision to comment on my approach) that it does not wish to make further comment. Moreover, in answer to the customer's comments on the Preliminary Decision (which add her claim for updated interest to the date of the decision) the company has not put forward any reason why the interest should not be continued until the date of the Final Decision. I therefore add simple interest of 8% per annum on the total overpaid amount of £969.43 from 14 September 2021 to 5 January 2023 (479 days) giving an additional interest figure of £101.78 and a total interest figure of £623.19.

31. I therefore direct that the company shall pay the sum of £623.19 to the customer in respect of interest.

Outcome

1. A refund of £969.43 as indicated by the company to be due;
2. Compensation for inconvenience and distress of £300.00; and
3. £623.19 by way of interest on the customer's overpayments since 2011.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- 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.

Claire Andrews

Claire Andrews, Barrister, FCI Arb.

Adjudicator