

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X324

Date of Final Decision: 31 January 2023

Party Details

Customer: The Customer

Company: The company

Complaint

The company charged the customer on a rateable value ("RV") basis because his property did not have a meter, but the amount charged is far in excess of the cost of the water used, and is almost double the amount he paid at his previous property. In any event, the RV set when the property was built can no longer be relevant as the relative value of the property has decreased compared to other properties in the area. The customer service provided by the company has been very poor, and has added to the inconvenience and distress the customer has suffered. In view of this, the customer would like a refund of £784.80, which is the difference between the charges he paid at the property to which this dispute relates and the charges he paid at his old address, £300.00 in compensation for distress and inconvenience, and an apology.

Response

Unlike the customer's previous property, the property to which this dispute relates did not have a meter and the customer did not apply for one; therefore, the company had no choice but to base the customer's charges on RV. As the customer's bills are correct and there have been no service failings, the company disputes liability to apologise, refund any charges, and pay the customer compensation for distress and inconvenience.

The company has not made an offer of settlement.

Findings

The evidence shows that on the balance of probabilities the company correctly based the customer's charges on the RV of his property, and the evidence does not demonstrate that the customer service provided by the company failed to meet the expected standard. Therefore, I find that the company has

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not failed to provide its service to the standard reasonably expected by the average person, and the customer's claim does not succeed

Outcome

The company does not need to take any further action.

ADJUDICATOR'S FINAL DECISION

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Case Outline

The customer's complaint is that:

- His complaint is about the excessive charges he paid for water services to a property he has just moved out of. He was charged on a RV basis because the property did not have a meter, and he paid £69.70 a month from July 2020 to September 2022, far in excess of the cost of the water he used in the Council Tax Band A two-bedroomed flat, that was occupied by two people and had no garden.
- A few years ago, he lived nearby in another Council Tax Band A two-bedroomed flat with two occupants, but that property had a garden so more water was used, and he only paid £37.00 a month. He does not understand how this discrepancy can be justified, as he is now paying nearly double the price for less water.
- The company says that rateable values were individually assessed by the Inland Revenue and cannot be changed as the District Valuer's Office, the department who managed them, closed in 1990. However, the property was only constructed in 2000 and the company admits that the RV was actually calculated based on the RV of other nearby properties, not set by the District Valuer's Office. In any event, the RV of a property cannot accurately reflect the water used at that property, and the RV set when the property was built should no longer be used as the relative value of the property has decreased compared to other properties in the area.
- The company has not fully explained how the RV was calculated, and he questions how the company can justify using records which cannot be verified or scrutinised, when it is entirely possible an error was made or an unfair system of calculation was used.
- The company also says he was charged on a water meter at his previous address. This is incorrect; he was not charged on a water meter at his previous address, even if the property now has a meter, and he has a screenshot from the company's customer service team confirming this.
- The company also suggests that it discussed him having a water meter; however, his landlord said this was not an option as his property was a top floor flat and could not be metered.
- The company failed to correctly respond to his requests for information, and in its correspondence with CCW it stated that his complaint was 'resolved' but did not reference what this related to, so he had to chase the company for information over and over again, and the company kept calling him

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during the day despite been asked to respond by email. He has wasted a huge amount of time on this due to the company's failure to provide a response to his concerns that accurately addresses his points and, despite repeatedly asking, he was not given a specific explanation about how the RV of the property was calculated. The company has not acknowledged its mistakes, and this has added to the concern and inconvenience he has experienced.

- In order to resolve this dispute, he would like a refund of £784.80, which is the difference between what he paid for water while he lived at the property and what he paid for water at his previous address, and £300.00 in compensation for distress and inconvenience.
- He would also like the company to apologise for the service issues he has experienced and for basing his charges on an unfair exploitative estimation of his usage.

The company's response is that:

- The customer believes his charges, based on RV, are excessive as the property is in Council Tax Band A, the property only had two occupiers, they had no pets and there was no garden. The customer compares his charges to those at his previous property, which had a meter.
- In response to receiving a complaint from the customer, it explained that the charges were correctly based on the RV of the property, rather than the amount of water used, the number of occupants or the Council tax band.
- It advised the customer that the water charges for his previous property were based on measured charges. The customer disputes that his previous property had a meter, so it has provided a copy of the customer's measured charges payment plan, dated 7 August 2018, in order to demonstrate that it did.
- It received a complaint from CCW on behalf of the customer on 24 October 2022. The customer was not happy with the decision that his bill was correct. It explained to the customer again that although the charges at the property were higher than at his previous property, they were correctly based on RV.
- As the original building for the property was converted into flats and the customer's flat did not have a meter, it calculated the property's RV by using the RV of similar properties in the area. It explained to the customer that rateable values are no longer re-assessed and directed the customer to section 3 of its Charges Scheme, which states that it can bill customers without meters on an unmeasured basis.
- In any event, it advised the customer that he could apply for a water meter when he called in August 2020, two years before the customer's initial complaint, but the customer did not responded so it continued to charge on RV.

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- The customer states that there have been service failings but it disagrees. After receiving the customer's complaint on 12 September 2022, it called the customer on 15 September 2022 and again on 20 September 2022, and sent a substantive written email response the same day. It received three emails from the customer on 21, 27 and 28 September 2022, and it replied to the customer with a substantive email on 28 September 2022. It aims to respond to complaints within seven working days; therefore, it has consistently responded to the customer in a timely manner.
- It accepts that the customer asked to be contacted by email on his initial complaint email on 12 September 2022. However, in accordance with its Complaints Procedure, it always tries to contact a customer by telephone first, to let the customer know their complaint has been received and to try to resolve the complaint as quickly and efficiently as possible.
- The customer states that it incorrectly reported the case as resolved to CCW. This was because it received no further contact from the customer after the reply to the initial complaint was sent on 20 September 2022. It then received further emails from the customer on 21, 27 and 28 September 2022 querying his payments at his new property. The customer thanked the Customer Care Manager that dealt with these queries, making no mention of the initial complaint or that he was unhappy with the outcome, and did not ask for any further escalation at this point.
- As the customer's bills were correctly based on the RV of the property, it denies liability to refund the customer any of the charges he has paid.
- As the company responded to the customer in a timely manner every time he made contact and provided accurate information, it denies responsibility to provide compensation for distress and inconvenience.
- As the customer has been billed correctly and there have been no service failings, it denies responsibility to provide an apology.

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

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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. Having reviewed all the evidence presented, I accept that the RV of a domestic property refers to the charging value allocated by the Inland Revenue's Valuations Office to a property for the purposes of billing for unmeasured water and sewerage services prior to the privatisation of the water industry in 1990. RV's for domestic properties were frozen in 1990 at which point the Inland Revenue's Valuations Office notified water companies of the RV assigned to properties in their area.
2. Since the Water Industry Act 1991 came into force, water companies continue to base unmeasured water and sewerage charges on RV but they have been required to set out their charges in an Annual Charges Scheme reviewed and approved by Ofwat, the industry regulator. Under the provisions of the Water Industry Act 1991, water companies are prohibited from changing a property's RV. Unmeasured water charges based on RV are fixed and there is no appeals procedure for contesting a property's RV. The only alternative to paying charges based on RV is to have a water meter fitted. When a property is fitted with a meter, water and sewerage charges are based on the amount of water actually used.
3. Having assessed the evidence provided by both parties, and while it seems that the building in which the property is situated was only converted into individual residences after the closure of the Inland Revenue's Valuations Office in 1990, I find that on the balance of probabilities the company has charged the customer in accordance with its Charges Scheme. This is because the company states that the RV was calculated by using the RV of similar sized properties in the area, and I accept that this is likely as at that time it was the policy of water companies, approved by Ofwat, to calculate a converted property's RV by either dividing the RV allocated to the whole building before conversion, or by using the RV of similar sized properties in the area.

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4. The customer would like the company to change the basis of his charging as he says that the RV applied to the property in 2000 is no longer relevant as the relative value of the property has not increased in line with other properties in the area, there may have been a mistake made in the way the RV for the property was calculated, and the system of working out unmeasured charges based on RV is unfair. While I understand the customer's frustrations in this regard, having reviewed the provisions of the Water Industry Act 1991, I accept that the company has no power to change the RV of the customer's property, or charge the customer for unmeasured water and sewerage on any other basis in the absence of an application for a water meter.
5. I note that the company explained RVs and how unmetered water charges are calculated in its response to CCW on 2 November 2022 and, having reviewed the evidence, I accept that the possibility of installing a water meter was discussed with the customer in August 2020. Unfortunately, after discussions with his landlord, the customer accepted that a meter could not be fitted and he did not respond to the company or submit an application for a meter.
6. The customer says that his charges were almost double what he paid at his previous property, even though his charges were based on RV at both properties. The company accepts that the customer's previous charges were much lower, but says that this is because the customer's previous property had a meter. The payment plan evidence provided by the company does suggest that the previous property was metered but, in any event, as the property relevant to this dispute was unmetered, and RVs can vary despite council tax bandings, the number of occupants or the size of the property, I find that the basis of charging at the customer's previous address is not relevant to this dispute.
7. In view of the above, I do not find on the balance of probabilities that the company has failed to provide its service to the standard reasonably expect by the average customer by charging the customer based on RV, and I accept that the company cannot change the RV of the property to reduce the charges. Therefore, whilst I appreciate that this decision will disappoint the customer, the customer's claim for a refund does not succeed.
8. The customer also claims compensation for distress and inconvenience and while I appreciate that raising a complaint is time consuming, inconvenient and stressful, the evidence does not show that the company has failed to provide its service to the expected standard. It therefore follows that the customer's claim for compensation for distress and inconvenience cannot succeed.

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9. As I have found that the company has correctly based the customer's charges on RV and there is no evidence of service failings, I cannot direct the company to apologise to the customer.

Outcome

The company does not need to take any further action.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 13 February 2023 to accept or reject this decision.
- 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.

K S Wilks

Katharine Wilks

Adjudicator

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