

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X342

Date of Final Decision: 30 March 2023

Party Details

Customer: XX

Company: XX

Complaint

The customer says that inaccurate information from the company prevented him receiving full possible recovery from his insurer after a leak.

He claims compensation of £4,500.00.

Response

The company says that the information provided to the customer was accurate when provided.

The customer has received goodwill gestures of £150.00 for customer service failings.

Findings

The company failed to provide its services to the customer to the standard to be reasonably expected by the average person with respect to the information it provided about the charges for the leak.

Outcome

The company needs to take the following further action: It must pay the customer compensation of £1,003.95.

The customer must reply by 27 April 2023 to accept or reject this decision.

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Case Outline

The customer's complaint is that:

- He experienced a leak at the Property because of a faulty valve on a dry cleaning machine.
- He believes a meter reader was aware of the leak, but did not notify him of it.
- The leak was repaired within 24 hours of discovery, but he was denied a leak allowance because the water drained into the main sewer from his internal pipework.
- The company incorrectly advised him that the outstanding balance on the account was approximately £5,500.00, and he used this amount when agreeing a settlement with his insurer.
- He was subsequently told by the company that the outstanding balance was actually £9,000.00, due to incorrect estimates, but because he had settled his claim with his insurance company he could not claim the additional expense.
- He has provided the company with regular readings since the leak, but the company has not responded to them.
- He has received goodwill gestures of £150.00 for customer service failings.
- He requests compensation of £4,500.00, representing half the total amount charged.

The company's response is that:

- The customer made contact on 11 January 2022 to question a high bill he had received.
- He was advised to perform a stop tap test and the problem was identified as a leak on a pipe from the back of a washing machine.
- The customer advised that an engineer would attend the following day to repair the leak.
- The customer made contact on 9 February 2022 about a leak allowance.
- The customer was advised that an allowance could only be granted if the water did not drain to the sewer, and was recommended to contact his insurer.
- The outstanding balance on the customer's account at that time was £4,976.49, and the customer was correctly advised of this amount.
- Leakage allowance decisions are made by **XX** in accordance with its Leak Allowance Policy. **XX** rejected an allowance for the customer.

- Further leak consumption was billed after the customer received payment on his insurance claim on 15 March 2022.
- Following the repair of a leak it is common for two further reads to be taken and submitted as evidence that consumption has returned back to normal levels.
- The customer submitted two reads. One from 23 February 2022 that was received by the company on 14 July 2022, and one from 12 April 2022 that was received by the company on 11 May 2022.
- By the time these meter readings were received, the customer's insurance claim had already been concluded.
- The company denies liability for the customer's claim.

The customer's comments on the company's response are that:

- He supplied 8 separate readings to the company from 12 January 2022 until 12 July 2022, each supplied to the company within 24-48 hours of the reading being taken.
- He repeats that the leak involved a faulty valve on a dry cleaning machine, not a leaking pipe from the back of a washing machine.

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 dispute between the parties arises from a leak on the customer's private pipework. While the wholesaler denied the customer a leakage allowance, this denial has not been challenged by the customer, and no evidence has been produced on the basis of which I could reasonably conclude that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person with respect to the leakage allowance.
2. The customer, though, argues that he was misled by the company about the excess charges that would be applied to his account because of the leak. As a result, when he claimed on his insurance policy, he agreed a settlement lower than he would have received if he had known of the full charges.
3. The company argues that it provided accurate information to the customer in February 2022 that the balance on his account at that time was £4,976.49. However, it has produced no evidence in support of this position, including in the form of recordings of calls with the customer or notes on the customer's account reflecting what was discussed with the customer.
4. Moreover, even if it is accepted that the company accurately told the customer the balance on his account at that time, merely providing this information to the customer would not have fulfilled the company's duty of care to the customer, as the company will have been aware that this balance was based on estimates and so could change substantially once actual readings were received. The company has not argued that it advised the customer of the possibility of such a change or that when it recommended to him that he contact his insurer it also recommended that he not make an insurance claim until the final charges were certain.
5. While no direct evidence on this question has been provided by either party, I find that it is more likely than not that if the customer had been warned by the company that he should wait to file his insurance claim because the final charges might vary substantially from the amounts he was at that time being quoted, he would have waited. No evidence has been given of any incentive the customer had to make his claim quickly, even at the expense of receiving incomplete compensation. I find, therefore, that the company more likely than not failed to provide such guidance to the customer and so failed to provide its services to the customer to the standard to be reasonably expected by the average person in this respect.
6. The customer has requested compensation of £4,500.00, which he states represents half the total amount charged. However, the customer acknowledges that he has already received a

partial payment from his insurer, and the evidence submitted by the Consumer Council for Water indicates that this payment represented half the bill he had received at that time. I do not find that there is a basis for concluding that if the customer had waited and presented his insurer with the larger complete bill, that he would have been able to reach a more generous settlement with his insurer than the 50% payment he received for the smaller bill. As a result, the customer is properly awarded compensation based on 50% of the larger bill subsequently received.

7. I find, therefore, that the appropriate remedy for the company's failure to provide its services to the customer to the standard to be reasonably expected by the average person with respect to the information the customer received about the charges for the leak, is that the company pay compensation equivalent to the additional payment the customer would more likely than not have received from his insurer if he had brought his insurance claim after receiving the final bill.
8. Neither party has produced evidence regarding the customer's bills, but the evidence submitted by the Consumer Council for Water confirms that while the customer's initial bill was £4,976.49, the final bill was £6,984.38, a difference of £2,007.89. Half of this amount is £1,003.95, and so this amount is properly paid to the customer.
9. For the reasons given above, the company must pay the customer compensation of £1,003.95.

Outcome

The company needs to take the following further action: It must pay the customer compensation of £1,003.95.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 27 April 2023 to accept or reject this decision.
- 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.

- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.
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Tony Cole

Tony Cole FCI Arb
Adjudicator