

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT X417

Date of Final Decision: 18 April 2023

Party Details

Customer: XX

Company: XX

Complaint

The customer complains that the company poorly communicated a change in its **XX** tariff to customers who receive paper bills, such that when the change occurred, he was taken by surprise. He says that the company has not taken adequate steps to ensure that customers who did not receive online bills were informed and says that the company was not paying attention to vulnerable customers who do not use the internet, unlike, he says, other services providers. The customer also complains of ancillary issues in its correspondence that he says is substandard. He asks for an apology.

Response

In its response, the company has justified the change in tariff and pointed out that I have no jurisdiction under the Scheme Rules to consider this issue. In the attachments to its response and in correspondence with the Consumer Council for Water (CCWater), the company has explained the steps taken to alert the customer to the withdrawal of the **XX** tariff and to replace this with a standard tariff that cost only £10.00 per year more and advised him of its **XX** tariff.

Preliminary Findings

I find that I have no jurisdiction to consider the company's decision to withdraw its **XX** tariff, which issue is precluded by the Scheme Rules. I can consider whether as a matter of customer service, the company has poorly explained this change to the customer. I find that, as explained below, although the company has extended the period during which the implementation of the change would occur, the customer was given notice of this over a seven year period by letter, copy of an online and paper bills and the communications were sufficient to put him on notice of change. There is also no evidence that the customer was unable to access the company's website where information about its change in policy was given. The company's services did not fall short of expected standards and its correspondence also did not fail to meet standards.

Preliminary 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:

- Mr XXX says that there was no clear communication or notification regarding his tariff change and that a date was not specified for when the tariff would be ending.
- The customer says that the company does not know what information is contained on their paper bills and only know what information is on the online bills. The customer is unhappy with the positioning of the messages on the bills.
- The company has explained that its communication regarding the tariff change was due to the fact that there is not much space on the paper bills – the customer is unhappy that customers are then directed to go online and not to telephone the company, as this means that customers with no internet access are potentially missing out on this information.
- The customer says that there is no desire from the company to acknowledge that it could have handled this matter better and also feels that there appears to be no desire to improve, He refers to “infallible arrogance”.
- The customer asks for an apology.

The company's response is that:

- The company says that in accordance with the Water Redress Scheme Rules, in particular Rule 3.5, it is beyond the scope of the WATRS scheme to examine / review any issues relating to the fairness/appropriateness of the Company's set contract terms and/or commercial practices.
- The company explains that the customer is the resident of property in XX. The customer's charges are raised on a measured basis and the company's “XX” tariff was applied to the customer's account with effect from 24 February 2010. This tariff had been introduced in 1997 / 1998 for users of small quantities of water.
- Prior to 1 April 2015 all household customers were eligible for the XX tariff but only customers using 75m³ of water per year or less would be better off on this tariff. This was because the XX tariff only had a volumetric element to the charge. Customers did not have to pay any fixed

charges but the volumetric charge rate in the **XX** tariff was marginally higher than the volumetric charge rate in the standard tariff.

- On 1 April 2015, the company advised customers that a 3-year phase-out of the **XX** tariff would commence. The reason for the change took into account that since the introduction of the **XX** tariff there had been many developments in the water industry, new data had become available on how customers use water, there had been research into how fixed charges are set, research showed limited justification for low consumption tariffs entailing zero fixed charge tariffs. The company also had consulted with 50,000 of its customers from which it developed its business plan for the 5-year period 2015 to 2020. The **XX** tariff was then not offered to new customers. The phasing out of the tariff was later extended to a 7-year phase-out from 1 April 2015 to 1 April 2022.
- The company considered 3 options in response to customers' concerns at the withdrawal of **XX**. These were:
 - (1) to transfer **XX** customers immediately to the standard tariff,
 - (2) to phase out the **XX** tariff to those benefitting from it,
 - (3) to ring-fence the **XX** customer group such that the tariff would no longer be available to new customers, but current customers could stay on it until their account was closed e.g., due to a move out of the property.
- The company took legal advice and also consulted with the Consumer Council for Water (CCWater) regarding its proposed changes. CCWater agreed with the principle of customer approval and supported the closing of the tariff for new customers and phasing out of the tariff for existing **XX** customers over 3-years.
- In response to feedback received from **XX** customers after the tariff was withdrawn, the company carried out a review of its strategy and decided to extend the time to phase out the **XX** tariff to March 2021. Notification of this decision was sent to customers in a letter in February 2015 and a further letter in December 2015.
- Whilst the Company was phasing out the withdrawal the **XX** Tariff it has introduced a means-tested tariff called '**XX (XX)**'. This has been designed to help support customers with little disposable income. All applications were previously independently assessed by the Citizens Advice Bureau, until recently, since when the company now assesses applications directly.
- The company says that adequate notice of the change of tariff was given to the customer in letters, bills and online.
- [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.

I make clear also that in reaching my Final Decision I have taken into account the customer's comments on my Preliminary Decision. The outcome of the Final Decision is nonetheless the same as the outcome of the Preliminary Decision.

How was this decision reached?

1. The customer says that his tariff has been changed without effective notification because, although online bills informed customers of the change in tariff, his paper bills, which are his only communication medium with the company, do not contain any information. He says that the company has yet to explain why the bills differ and why, as an organisation, it thought that it was appropriate to include the communication only in an online bill when it is aware that the customer does not engage with the company via internet.
2. The customer also complains in his correspondence with the Consumer Council for Water (CCWater) about "infallible arrogance" in dealing with a complaint. He says that the company:
 - a. Never looks into the customer case specifics and replies with generic responses.
 - b. Only answers the question the company wants to answer and ignores or rephrases difficult questions that highlight an issue within the company.
 - c. Is sure to "shout about" how brilliant the company is and what it is doing.
 - d. Makes a false apology for how the customer feels.
 - e. Ensures that complaints are not used to help improve the company with the generic issues in the organisation.
 - f. Assumes that complaints will create additional costs, reduce staff morale/ increase staff turnover, and therefore creates a questionable organisational culture in which inefficiencies in the organisation do not need to be managed.

- g. Is not accountable and does not admit that a mistake was made or acknowledge that things could have been done better.

The customer refers to his own experience and other stories that he has read in the media.

3. In approaching this issue, I am mindful that I have no jurisdiction to consider the fairness of the tariff or a decision to phase out a particular tariff. This is because rule 3.5 of the WATRS Scheme Rules states that the Scheme may not be used in respect about the fairness of contract terms and / or commercial practices. Although there is no definition of “commercial practice” within the Scheme Rules, it is instructive to look at the legal meaning that is given to this term in the Consumer Protection from Unfair Trading Regulations 2008. By analogy with this definition, I am satisfied that a commercial practice includes any act, omission, course of conduct or commercial communication by a trader, which is directly connected with the promotion, sale or supply of a product (which includes a service) to or from consumers. I am satisfied that a decision by the company to withdraw a tariff is an act directly connected to the supply of water and I find that this cannot be considered by me.
4. I find that I can, however, consider as a matter of customer service how this decision has been communicated to affected customers. I do not find that information regarding a change of tariff is a “commercial communication” in this sense because it does not invite the customer to agree or accept the change and, I find, is not directly connected to the supply of water, which will happen in any event at a tariff set by the company. This is because I find that, as the company has explained in the documents that it has put forward for the purpose of this adjudication, the company’s entitlement to raise charges for the supply of water are dependent upon its Charges Scheme, which is a document authorised by law. The manner of communicating that change to the customer is therefore a question of the provision of information to him that is ancillary to the earlier decision to alter charges.
5. I therefore turn to the complaint that has been raised by the customer about the way in which he was told about the change of tariff. In doing so, I am also mindful that I can only consider the position of the customer himself. Although in his correspondence with CCWater and the company he has referred to the position of “vulnerable customers” generically, the WATRS Scheme is for the purpose of determining individual disputes between customers and customer and is not intended to state general principles that may turn on the interests and experiences of third parties. I record also that the customer has said in his response to my Preliminary Decision that the customer does not regard himself as a “vulnerable customer”.
6. The documents show as follows:

- a. the customer was on the **XX** tariff from 23 August 2012 to 31 March 2022.
- b. On 2 March 2019, the customer activated his online “MyAccount”, by which process the customer began to receive online bills.
- c. On 23 August 2022, the customer sent an email to the company stating that he had received his half yearly bill which contained an error. The company replied the following day stating:
*I understand that you been billed based on **XX** tariff but recently **XX** tariff phased out from 31st March 2022. We have started billing you based on standard tariff from 1st April 2022 and I can recommend that standard tariff is the most suitable tariff for your usage.*
- d. The customer responded that day stating that he had not been notified and asked for the **XX** tariff to continue. The company replied on 28 August 2022 explaining the policy behind the change of tariff, stating that information had been contained in the customer’s bills since 2015 and told the customer that he had been on a standard tariff since 1 April 2022.
- e. The customer replied on 30 April 2022, explaining that the first he knew that his **XX** tariff had ended was on 17 August 2022 to confirm that his tariff had changed on 1 April 2022. He asked whether it was an acceptable practice retrospectively to change a customer’s tariff without notification. He said:
*On closer inspection of my more recent bills I can see that on my 16 February 2022 bill, 19 August 2021 and 16 February 2021 on page 3 under ‘How To Pay’ it says the **XX** tariff is gradually being phased out but does not state a specific date for this. Given the change in my tariff has not been communicated to me I would like a new bill calculated on the **XX** tariff and confirmation on the date you will be moving me to the standard tariff. It is unacceptable for **XX** to retrospectively change my tariff and the same scenario is not allowed with other service providers.*
- f. On 5 September 2022, the customer referred to the company’s explanation.
Based on your response you are stating that you have adequately communicated the change to me as a customer by displaying this on my bills that are available online. When as a customer I get my bills via post where it has not been included. I struggle to see how as an organisation you can deem this appropriate and acceptable? Please can you

*explain. Was I supposed to have guessed you were going to change my tariff and looked at my bills via a method that I don't receive my bills via. I actually don't believe I've ever used my online **XX** account and request that you delete my online account so that in the future I receive details of changes that impact me as a customer. Please can you confirm that my online account has been deleted.*

- g. On 7 September 2022, the company explained that when the customer registered for online billing, paper bills were not also sent out. The company agreed to delete the online account. The customer replied stating:

The aspect I still don't understand is you seem to indicate that I am registered for online billing which cannot be the case given I have never chosen this method of billing. In addition I get my bills in the post every 6 months. Also, if I am receiving my bills via the post then why would they be different to my online bills in terms of important information that as a customer I should be aware of?

- h. The company responded that day stating:

I see that you did receive bills in the post as well as online.

As a company only the customer can register for online billing, this is something we cannot do on any customers behalf as they have to set this up with a password.

7. The customer then contacted CCWater and agreed to put the customer's account on hold until his complaint was resolved. This situation had to be renewed from time to time as the complaint continued.
8. During the correspondence with CCWater, the company revealed that in addition to the bills, the company had sent letters to its customers explaining that the **XX** tariff would be phased out. The company has supplied sample letters to me. These indicate that:
- a. In January 2014, customers were informed that from 1 April 2015, the tariff would be phased out over a three-year period.
- b. In February 2015, customers were again informed that the **XX** tariff was to be phased out over three years.
- c. In December 2015, customers were informed that following feedback from customers the phase out period would extend until March 2021 and that the consequence would be an increase of approximately £10.00 per year This letter also explained some of the reasons

for the decision, stated that the “XX” hardship tariff had been introduced and stated that an explanation of the XX tariff was also on the website. Customers were told that if they had any questions or concerns, they could call the company on a telephone number that was provided.

9. Although the customer says that he did not receive this correspondence and he complains that the company had initially referred to two previous letters and then later stated that there had been three, I find that there is no evidence that the company had excluded the customer from its correspondence lists and no reason why the company would have done so. I find that as the company has copies of three previous letters, it is likely that all three letters were dispatched to customers. I find that it is more likely than not that the three letters now identified by the company would have been sent to the customer. If for some reason, these were not received by the customer because they were lost in transit, it does not, I find, follow that the company had not provided its services to the expected standard. Once correspondence had been posted, the company was no longer in charge of its safety. I find that the company has performed its services to the expected standard by posting correspondence.
10. The customer makes the point that the company’s correspondence did not make clear precisely when the change would be made and was inconsistent because at first reference was made to a change in three years and then later to six years and the change in fact occurred after seven years. While I recognise that this is factually correct, I am not satisfied that it caused any consumer detriment. The customer had been told that it would happen and was also told that its introduction would be deferred. The fact that it had been deferred for longer than stated was to the customer’s advantage and not to his detriment, and, for the avoidance of doubt, I do not find that there is any evidence that the company indicated to the customer that it had “changed its mind”, and I do not find that the company should reasonably have expected that the customer would interpret a deferment in this way. I do not find that the company omitted to meet expected standards in this regard and I also find that, as references were made to the phasing out of the tariff both in paper and online bills. It would not reasonably had been expected that further letters would be sent closer to the time of final removal of the tariff.
11. The company says that all XX bills sent out at the time had the following information about it being phased out:

Our tariffs are changing and XX is being phased out. If you use less than 75 cubic metres each year you can stay on the tariff until it is discontinued, but if you use more than this call us today to switch and start saving now. You can find details of all charges and tariff options at anglianwater.co.uk/charges

12. From the 2016 / 2017 charging year, the company agreed that it would extend the phase-out period from 3 years up to a minimum of 6 years. The wording on the reverse of the bills was subsequently updated to:

*Our tariffs are changing and **XX** tariff you are on is gradually being phased out. You can find more information about these changes and how it may affect you at **XX***

13. The company has also submitted evidence that it has sent the customer numerous bills, including one via email to the customer's address on 23 February 2016, prior to activation of his on-line account on 2 March 2019. The customer accepts that he received this and that it was a copy of an online bill. Following activation of his online account, the company says that the customer was free to look at all his bills in this way.

14. The customer does not criticise the presentation of the online bills, which he says gave sufficient prominence to this issue. However, he says that the paper bills gave less prominence to this issue and asks why, when he also received paper bills, he would reasonably have been expected to look at the online bills. He states that he did not. He has enclosed photographs of a selection of his paper bills, although these are largely out of focus and the wording is therefore difficult to read. In response to the customer's comments on my Proposed Decision, I have enquired whether **XX** has received emails on 9 and 10 March 2023 other than those that have been uploaded on to the "**XX**" platform and they have confirmed that this is all that has been received from the customer. However, the customer says that, unlike the online bills which include information under the heading "your usage in detail", the paper bills show as follows:

- a. On 12 August 2015, text appeared under 'how your charges have been calculated' stating that the **XX** tariff was being phased out.
- b. On 16 February 2016, text under 'Your usage in detail' stated that the **XX** tariff was gradually being phased out and that customers should go online for information. The customer says that the same message continued until 17 February 2019.
- c. On 13 August 2019, the message on the paper bill was moved to the section headed 'How to pay your bill'. The customer says that he does not consider this to be a suitable location for the information because it was not about paying the bill but concerned calculation of the tariff. He did not find this information and therefore thought or would have thought that the company had changed its mind. He adds that it was at this point that the bill format

changed from smaller A5 to larger A4 which gave the company more space to explain its message. He says:

I don't look at the How to Pay section of my bill as I know how to pay and would only refer to it if I had issues paying it via my usual methods.

- d. On 16 February 2022, the same message of 'gradually phasing out and the need to go online if the customer wanted to know anything about it appeared under "How to pay your Bill" despite the fact that the tariff was due to end within one month.
- e. On the next bill, the tariff had changed, and the customer was directed under "How to Pay" to other possible tariffs.

15. I accept that these messages did not have the prominence that they enjoyed in the online bills. They were in "small print". I do not accept the customer's suggestion made in response to my Preliminary Decision that I have not considered or did not understand this information, however, I do not find that this is the only consideration in this case. .

16. The customer does not deny that information about this issue has been made available online but he says that for vulnerable customers who do not use a computer this was inadequate and he compares the practice of other utilities suppliers. The customer says that he uses a dated small screen smart phone only to pay bills and upload meter readings.

17. Against the background, however, of the number of times and the period over which the customer was given information, I do not find that the company has communicated poorly with the customer, as he alleges, and I therefore do not find that the company has supplied its services to him in a way that did not achieve the expected standard. My reasons are as follows:

- a. While I take into account that other utilities companies may offer telephone alternatives in respect of changes of policy, there is no evidence that over a lengthy period of notification of change, they would provide a telephone number on every occasion.
- b. In the correspondence sent to the customer in 2014 and 2015, the customer was invited to contact the company on a telephone number in respect of difficulty paying, and in the letter of December 2015 which indicated that following consultation the implementation period had been extended, a telephone number was provided to customers specifically to discuss the change of tariff if customers did not wish to go online.

- c. Although the customer says that he would not choose to go online to look at the information on the website because of the dated nature of his handset, there is no evidence that he was unable to do this. He notably applied for an online account in 2019, which suggests both that the customer has access to the internet and that he can utilise this (even though he only uses this for bills and meter readings). I do not find that the customer has submitted evidence of vulnerability in this respect.
- d. I find that, as explained above, the company would have told the customer about the change in tariff by letter, especially that of December 2015, and reinforced this by repeating the information in the bills.
- e. Although the bills submitted by the customer are out of focus, it is clear that a number of these have been written on and comments made, which suggests that he read his bills in some detail. Notably that of 14 February 2016 (following which the customer appears to have supplied a meter reading and asked for a replacement bill, contains in bold type under the heading “How your charges are calculated”, the information referred to above about the intended change to the **XX** tariff. I find that this would reasonably have been expected to have been read and was plainly legible. The customer agrees that the bills were in this format until 2019, which I find would reasonably have been expected to have put the customer on notice that change was on its way.
- f. While I accept that the customer, having received paper bills, may not have wished to go online to look at the electronic bills after 2019 because he would have been informed about the amount that he has to pay, I find that it is nonetheless the case that the company continued to provide information about the change in tariff, saying that the change was being gradually introduced over a seven year period. The bill contains a considerable amount of information in small print, and I find that it would reasonably have been expected that a customer who was concerned about his bill would have looked at the information on smaller print as well as the larger print setting out how much was owed, especially if he wanted to know what had happened about the tariff change. I therefore find that it was reasonably to have been expected that the customer would have been able to read this information in one of the other two locations in which he accepts that warning of change was given to customers.
- g. While I note that a description that a change was occurring “gradually” does not give a date when it would have a specific impact on the customer, I find that the company did not give an indication that it had changed its mind about withdrawal of the **XX** tariff. I find

therefore that it would not reasonably have anticipated that the customer would understand the delay in implementation in this way, particularly when the customer could have gone online to look at the information or called the customer help line to ask.

18. I find therefore that the company's position that it did not wish to agree with the customer's complaint was justified. I do not find that the company did not look into the specifics of the customer's or only "answered the question the company wanted to answer and ignored or rephrased difficult questions that highlight an issue within the company". There is no evidence that the company "assumes that complaints will create additional costs, reduce staff morale/ increase staff turnover, and therefore creates a questionable organisational culture" nor that it ensures that complaints are not used to help improve standards. I do not find that an unacknowledged mistake had been made.
19. As for the customer's concern that the company "is sure to shout about how brilliant the company is and what it is doing" I note that in a number of instances the company has put forward in a positive way the steps that it is taking on various fronts. I do not find that this is conduct that an average customer would consider to fall below expected standards, because customers might wish to know what steps were being taken and whether these represented improvement.
20. As for the customer's concern that the company has made a false apology for how the customer feels, this has been addressed in correspondence and the company has explained that this was not intended by the company.
21. It follows from the above that I do not find that the company has fallen below expected standards and therefore I do not direct that the company is required to take further action.

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.
- 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.

Claire Andrews

Claire Andrews, Barrister, FCI Arb.

Adjudicator