

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/X423

Date of Decision: 11 April 2023

#### Party Details

**Customer:** The Customer  
**Company:** The Company

#### Complaint

The customer has a dispute with the company regarding the incorrect information on payment levels given to her when she opened her account, resulting in her accruing a large outstanding balance on the account. The customer believes that the company has changed its position on payment levels, and this resulted in her experiencing stress and inconvenience. The customer says that despite ongoing discussions with the company, and the involvement of CCWater, the dispute is unresolved and therefore she has brought the claim to the WATRS Scheme and asks that the company be directed to waive the outstanding balance on her account or pay her compensation of several hundred Pounds.

#### Response

The company accepts that it initially advised the customer of a monthly payment amount that was too low to cover the costs of her water consumption. The company says that payment plans are intended to be flexible and be based on actual consumption. The company states that it advised the customer to check her account balance via its website. The company says that as a gesture of goodwill it made a payment of £30.00 to the customer and has advised her that it will accept payment of the outstanding balance by affordable installments. The company did not make any other offer of settlement and declines to agree to the remedies requested by the customer.

#### Findings

The claim succeeds in part. I find that the evidence does not establish that the company made any promise that the amount it advised under the payment plan would fully cover the costs of water services provided. I am satisfied that the customer has to pay for actual consumption, and I note that the company does not expect the outstanding amount to be settled in a single payment. However, I find that the confusion over the level of the monthly charge did cause the customer unnecessary stress and inconvenience. I thus find that the evidence shows that the company has not provided its services to a reasonable level and has not managed the customer's account to the level to be reasonably expected by the average person.

#### Outcome

The company needs to take the following action:-

- Pay the customer £100.00 in compensation.

The customer must reply by 09 May 2023 to accept or reject this decision.

**ADJUDICATOR'S DECISION**  
**Adjudication Reference: WAT/X423**  
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**Case Outline**

**The customer's complaint is that:**

- She has experienced an ongoing dispute with the company concerning billing issues on her account. Despite the customer's recent communications with the company, and the involvement of CCWater, the dispute has not been settled.
- In October 2021 she commenced to pay the company £18.00 per month based on an estimate from the company that it has since accepted was incorrectly low.
- The company stated that it charged her monthly while awaiting the receipt of meter readings but concedes that the amount charged was too low.
- On 23 March 2022 she received two separate e-mails from the company, one stating that it had received the meter readings and the other stating that she would continue to be charged at £18.00 per month. The company subsequently advised her that the confirmation to continue paying £18.00 per month was incorrect and issued in error.
- On 07 September 2022, she received two further e-mails from the company advising that her plan had been updated and when she accessed her account online, she was surprised to find that she had an overdue balance on her account of approximately £700.00.
- She complained to the company that it had changed its position and had caused her to experience unnecessary stress, but she says the company ignored this aspect and simply informed her that she could pay off the amount in instalments.
- She acknowledges that the company made a goodwill offer of £30.00 that she believed was insufficient.
- Believing the company was not properly addressing her concerns she, on 28 October 2022, escalated her complaint to CCWater who took up the dispute with the company on her behalf.

- The records show that CCWater contacted the company on 15 December 2022 and raised with it the details of the customer's complaint and requested its explanation of events, its current position, and to check the level of customer service it provided.
- CCWater responded on 16 December 2022 and explained the information and response it had received from the company. The company apologised for the initial error in estimating her consumption figure, confirmed her actual water usage, and explained why a bill recalculation cannot be applied.
- She did not accept the company's explanation and thus an ongoing exchange of communications ensued between her and CCWater.
- She raised the legal concept of estoppel and believed that this covered the company's change of position in respect of the level of payments. The customer says she does not believe that either the company or CCWater have seriously addressed this concept.
- On 10 February 2023 CCWater wrote to her and concluded that it could not take any further measures to have the company change its position and was thus closing her case.
- Continuing to be dissatisfied with the response of both the company and CCWater she has, on 17 February 2023, referred the matter to the WATRS Scheme where she requests that the company be directed to waive the outstanding balance on her account or pay her compensation for distress.

**The company's response is that:**

- It provided its response to the WATRS claim in its submission dated 02 March 2023.
- It confirms that it opened an account for the customer on 28 October 2021 and opened a payment plan on 04 November 2021 at the rate of £18.00 per month.
- It is its practice that when a new but unknown customer opens an account, a payment plan is created using an estimated consumption amount based on occupancy levels.
- Payment plans by their nature are subject to variation to reflect the actual consumption of a customer.
- It confirms that it understood that the amount was acceptable to the customer as it correlated closely with the charges she had been paying at her previous residence that was located outside the company's area of service.

- The customer had elected to receive her bills electronically and not via paper copy, and thus it is not unreasonable for the company to expect that the customer would monitor her account online.
- On 01 March 2022 it received an actual meter reading from the customer's property that allowed it to better understand the customer's consumption and thus it increased the monthly charge to £23.00.
- It notes that the customer is not disputing the volume of water consumed but is complaining that she was led to understand that £18.00 per month, as advised by the company, was sufficient to cover the cost of the water supply services she received. The company says that advising the customer of the amount of the monthly plan cannot be construed as a promise of any sort that it is sufficient to pay the full cost of services provided.
- It notes that the customer has not suffered any financial loss.
- It records that it has advised the customer that she is not required to pay the full outstanding balance on her account by means of a single payment and it has informed her that it is agreeable to setting up a payment plan to allow repayment over a period of time by means of affordable instalments.
- It notes that it made a goodwill offer of £30.00 for the confusion over the initial payment plan.
- In summary, the company says it was not unreasonable for it to believe that the customer was monitoring her account via online access and that it is willing to set up a payment plan to permit settling of the outstanding balance.

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

- On 03 March 2023, the customer submitted comments on the company's response paper. I shall not repeat word for word the customer's comments and in accordance with Rule 5.4.3 of the Rules of the WATRS Scheme I shall disregard any new matters or evidence introduced.
- The customer says that the company continues to avoid her argument that it changed its position and has made no reference to her claim under estoppel. The customer believes that the £30.00 goodwill offer was an admission by the company that it was in error with its actions after opening her account. The customer repeats her position that she believed the information given to her about the level of her payment plan charges was sufficiently clear such that she did not need to check her account 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 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 relates to the customer's dissatisfaction that the company was in error when opening her account and setting a too low monthly charge resulting in her accruing a large outstanding balance. The company states that the charge was set according to the occupancy information it had, and notes that the customer is not obliged to clear the balance in a single payment.
2. I note that the WATRS adjudication scheme is an evidence-based process, and that for the customer's claim to be successful, the evidence should show that the company has not provided its services to the standard that would reasonably be expected of it.
3. I can see that the customer believes the problem commenced after opening her account in October 2021 and being advised that the company had opened a payment plan in the monthly amount of £18.00.
4. The customer contends that this information was reconfirmed in two separate e-mails received on 23 March 2022. I can see that the company agrees that two e-mails were sent but states that the date was 29 March 2022.

5. The company confirms that the first e-mail was timed at 08:02 and confirmed the original payment plan amount. The second e-mail was timed at 11:21 and stated that the customer's latest bill was available to view online and advised her to check the bill as the required payment amount may have changed.
6. I take into consideration that the customer opted not to have paper bills and preferred electronic bills.
7. I find it reasonable for the company to anticipate a reasonable level of self-management by customers of their online accounts, particularly when a customer has opted out of receiving paper bills.
8. The customer states that her understanding that the £18.00 charge was sufficient to cover her costs was further reinforced by a series of SMS text messages received from the company. Unfortunately, I am not provided with copies of such messages.
9. The parties have not supplied me with a copy of the customer's payment plan, but the company has stated, in its defence submission, that payment plans by their nature are subject to variation depending on the level of water actually consumed by the customer. I note that the customer has not questioned this understanding in her comments on the company's submission.
10. I further take note that the customer has not questioned the consumption figures produced by the company. I also take into consideration that the customer is obliged to pay for the water she has consumed.
11. It seems to me that the main limb of the customer's position is that she should not have to pay for water actually consumed because she believes the company changed its position in regard to the amount advised to her under the payment plan.
12. However, I do not find that the evidence establishes that the company changed its position in respect of her having to pay for water consumed. I also do not accept that she was misled by the company, as by her own admission she did not check her account online despite the company advising her to do so in March 2022, and because she was aware that she had opted out of receiving paper bills.
13. I am satisfied that the responsibility for paying for water consumed still sits with the customer and as such I shall not direct the company to waive her outstanding bill.
14. In respect of the customer's reference to the concept of estoppel, I take note that she does not appear to have sought legal advice on this and has not submitted any submission by a legal practitioner to support her understanding.

15. Taking a simplistic approach, estoppel arises from a promise made with the intention that it should be acted upon. The evidence does not establish that the company at any time made any promise to the customer in respect of the payment plan.
16. In her application to the WATRS Scheme, the customer has requested that the company be directed to pay her compensation in the amount of “*at least several hundred Pounds*” for the stress she contends she has experienced because of the company’s actions.
17. Whilst I have found that the company did not make any promises to the customer in respect of a payment plan, I am satisfied that the company has accepted that applying a monthly charge of £18.00 was incorrect. I find this to be a failure by the company to manage the customer’s account with a reasonable level of skill and care.
18. It follows that I am satisfied that this failure by the company did contribute to any stress and inconvenience the customer may have experienced, and I thus find that compensation is appropriate.
19. I am content to grade the duty of care failure at Tier 1 level according to the *WATRS Guide to Compensation for Inconvenience and Distress*, and direct that the company shall pay to the customer the sum of £100.00.
20. My conclusion on the main issues is that the company has failed to provide its services to the standard to be reasonably expected by the average person.

### **The Preliminary Decision**

- The Preliminary Decision was issued to the parties on 29 March 2023.
- The customer has submitted comments on the Preliminary Decision, also on 29 March 2023.
- The customer says that the Preliminary Decision did not address her defence of change of position. In order for such a defence to succeed the customer needs to show that her position was so changed that it would be inequitable in all circumstances to require her to make any restitution to the company. I am satisfied that the evidence does not establish that the customer’s position was so changed.
- The company has, on 02 April 2023, responded to the Preliminary Decision.
- The company states it has noted the Preliminary Decision and has no additional comments.
- I am satisfied that the facts upon which the Preliminary Decision was based remain unchanged.
- Having read the responses of the parties I am satisfied that no amendments are required to the Preliminary Decision.

## Outcome

The company needs to take the following action:  
Pay the customer £100.00 in compensation.

## What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 09 May 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.



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## Independent Adjudicator