

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X476

Date of Final Decision: 24 May 2023

Party Details

Customer: XX

Representative: XX

Company: XX

Complaint

The dispute concerns a high bill received by the church as a result of a leak. The customer disputes the high bill on the basis that the company did not take regular meter readings, the church volunteers did not know that they were responsible for providing their own meter readings, the meter is under a two-foot square iron cover which they struggle to move, the direct debit amount set by the company was too low, and the company should have done more to prevent such a large quantity of water being lost. They understand that the leak was on private pipework, and that they are classed as a non-household customer, but as church volunteers they are not business-minded and a more sympathetic approach could have been taken by the company. In view of the above, the customer would like the late payment charges removed from the account, the outstanding bill to be reduced, and an apology.

Response

In October 2017, the company informed the customer that their consumption was high and asked them to conduct a leak check, but the customer did not respond. The company then provided the customer with two more actual meter readings that showed a strong spike in consumption but, again, the customer did not make contact. The company issued the customer with a Section 75 notice, and the customer repaired the leak six months later. The customer then made contact to discuss the debt on their account. The company has removed the recovery costs, secured a wastewater allowance for the customer, made a gesture of goodwill for failing to read the meter in 2019, offered the customer a payment plan, and supported the customer by getting the meter replaced, but it denies responsibility to reduce the customer's charges further and provide the customer with an apology.

Findings

Having reviewed the evidence, I do not find on the balance of probabilities that the company has failed to provide its service to the standard reasonably expected by the average person. In view of this, the customer's claims do not succeed.

Outcome

The company does not need to take any further action.

ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT-X476

Date of Final Decision: 24 May 2023

Case Outline

The customer's complaint is that:

- In October 2017, they received a bill warning them of a suspected leak. However, when they reviewed the billing pattern, it did not appear to be out of line so they had no reason to investigate further, and the company continued to bill them normally for the next 12 months.
- The direct debit was set at approximately £166.00 per month by the company, and this was presumably based on previous billing data.
- In May 2020, they sought a reduction in the direct debit as Covid-19 had limited their activities.
- The company declined to read the meter and requested them to do it. In May 2020, they gave the company the meter reading, and in September 2020 they received a bill showing that they owed £5000.00, which indicated that they had a leak.
- They sought clarification and asked the company to help them find the leak.
- The company appeared sympathetic and understanding at first, but no action was taken to help them.
- On several occasions, they requested a meeting to discuss why there were no meter readings for two years, and why the direct debit was allowed to run for so long at such a low rate.
- They established that the meter lid was too heavy for reading by a customer, the meter was supposed to be read every six months, and the company suffered a manpower shortage so not every meter reading scheduled was completed.
- The company then provided various responses to the issue, including that they had been told they had a leak, they had been negligent for not fixing it, it was their responsibility to read the meter, and the company had read the meter regularly, which was not correct.
- No one above first level of the company has ever tried to make contact to provide an explanation, and it has proved impossible to speak with anyone other than a debt collector whose job is to obtain payment rather than provide an explanation or a forum for discussion.
- The debt has now risen to £12,000.00 and the company has said that further charges will be applied to the account should they continue to pursue a fair resolution.
- They were not made aware of the company's terms and conditions, and they were not told about late payment charges.

- If the company was seriously concerned about the possibility of a leak, there should have been very regular half-yearly readings and an increased direct debit, so they feel very disappointed.
- They also enquired about their wastewater charges. Although some deduction was made, the company responded by saying that **XX** would not refund the charges. As the company is the service provider, they do not understand why the company asked **XX**
- They accept that the leak was on private pipework but as the high bill was received during the Covid-19 restrictions when the church was closed and had no income, they feel the company should have done more to help them. They expressed their concerns about the supply being disconnected due to the caretaker living on site, and dispute the late payment charges added to the account when they were trying to resolve the complaint, particularly as the bills for on-going usage have been paid.
- They understand that they are classed as a non-household customer, but as church volunteers, they are not business-minded and a more customer-friendly and helpful approach could have been taken by the company.
- CCW discovered that the company does not have a policy to follow up high consumption letters, so opportunities were missed to save water lost due to the leak, especially as the church is in an area of significant water stress.
- The company says it sent five warnings of high usage in the period from September 2016 to April 2018, but the bills for this period did not contain warnings. The company did send a letter on 2 October 2017 warning of high usage, but the bills do not show high usage in this period. After March 2018, there were no further readings taken until May 2020, when they asked for the meter to be read. The company insisted that the meter was being read regularly, but there was a gap of 26 months.
- The company says it held a discussion with them about a payment plan, but this is incorrect as no such discussion took place. The company has offered £130.00 for its failure to read the meter in 2019, but does not accept any responsibility for the leak which was on going for a significant period of time.
- In view of the above, they would like the late payment charges removed from the account, and they would like the company to reduce the outstanding bill to reflect that a significant amount of water was lost because the company did not provide meter reads and did not follow up after it sent high consumption letters.
- As the company has shown no sympathy and has not taken their circumstances into consideration, they would also like an apology.

The company's response is that:

- It started to bill the customer in 2016 and provided two visual meter readings, taken on 21 March 2016 and 20 September 2016, and a welcome letter and booklet outlining its retail prices, terms and conditions, and the relevant regulatory information.
- The site's usage started to increase in September 2016. Between 2016 and 2018, the customers were provided with six high meter readings and a letter of high consumption.
- After it sent the high consumption letter in October 2017, it continued to provide visual meter readings and information about the units used on its bills in order to notify the customer of their high consumption.
- Due to the continuity in meter readings and units used per month before and after the market opened, it was clear that the site's consumption had been increasing.
- The customer did not query the bills, reads or usage until they received a high bill in 2020.
- It accepts that it did not read the meter in 2019, and on 3 September 2020, it took a meter reading which generated a high bill.
- A leak on the customer's side of the boundary was identified on 4 November 2020, and a Section 75 notice was issued to the customer. On 26 April 2021, six months after the Section 75 notice was issued, the customer repaired an underground leak.
- A freshwater allowance was not granted due to the time it took the customer to repair the leak, the location of the leak, and because it was noticeable from the meter readings that the leak started around 2016.
- The wholesaler reserves the right to grant leakage allowances as part of the market rules and the Section 75 notice issued to the customer.
- It has taken meter readings yearly as per the market standards and its terms and conditions, except in 2019. However, retailers were exempt from taking meter readings in 2020 due to the COVID lockdown, so, during this time, it provided practical advice to its customers about reading their meters and informing their retailer if they had closed due to COVID.
- A meter reading was taken in September 2020 following the easing of the first lockdown restrictions.
- As per Ofwat's guidelines, retailers must issue at least one accurate bill or invoice each year using a meter reading where there is a meter. It accepts that it fell short of this requirement; however, this shortfall in service does not mean that an account balance can be written off, and it does not make the retailer responsible for the site's internal pipework and leak.
- The meter readings show that the leak started before March 2017, not between 2019 and 2020. The leak had been on-going for years despite the customer receiving regular meter readings in their bills, and the high consumption letter sent in October 2017.
- Had the customer acted upon receiving the high meter readings, the customer would have avoided such a significant financial impact.

- The high bill occurred due to the customer's failure to look after and maintain their water pipes and plumbing fixtures, including leak detection, repairs and replacement. As confirmed by the customer, no action was taken after they received the high consumption letter that asked them to conduct a leak check. Had the customer taken the recommended actions, the customer would have avoided such a high bill.
- The customer also failed to act for six months after receiving the S75 notice issued on 4 November 2020, which increased the bill.
- The customer implies that it was not concerned about the possibility of a leak. However, when business customers do not act after receiving high bills and/or high consumption letters, it is often due to a change within the business that increases usage.
- No leakage or financial allowance is due under any of the market rules, and any need to change the market rules would have to be considered by Ofwat.
- The customers also state that it said they were responsible for reading their own meter. This is not correct, it simply shared its meter reading policy with the customer, which reflects its terms and conditions and the industry regulations. However, customers are free to take their own meter readings and can pass these onto the retailer for use in the billing process and to add into the market systems.
- The customer believes that it should credit them for wastewater. As the leaked water did not go down the sewerage system, it secured a wastewater leak allowance worth £1,679.16, and this has been applied to the customer's account. The customers were informed about this and are not due a further credit.
- The customer argues that they were not informed about its contractual terms and conditions. However, its terms and conditions were outlined in the welcome letter package the customer received. Had the customer raised concerns about the changes within the water industry that affected them upon receiving the welcome letter on 26 May 2017, it could have addressed their concerns.
- As part of its recovery actions, which are outlined in its contractual terms and conditions, it carried out a disconnection survey, which revealed there is a domestic element linked to the supply. Therefore, a disconnection did not and cannot take place.
- The customer raised concerns to CCW about the meter lid and how difficult it was to read the meter. The customer had not raised these concerns previously but as soon as CCW made it aware of this issue, it followed the correct process with the wholesaler and a new meter was fitted at no cost.
- It accepts that there was a delay in providing information to CCW throughout the pre-investigation, but its senior management team investigated and a detailed explanation of the challenges experienced and the mitigating actions taken was provided to CCW.
- It has reviewed the customer's complaint journey, and in view of its shortfall in service, it applied a gesture of goodwill of £130.00 to the customer's account, which is beyond the amount due under Ofwat's guidelines.

- The customer is contractually obligated to pay for its services, and therefore it applied recovery costs to the account under its terms and conditions.
- However, it has paused recovery action while the adjudication process takes place and, as a further goodwill gesture, it has removed the recovery costs applied to the account on 30 January 2023, which has reduced the amount owed by £8,380.00 to £4,163.87.
- As it has removed these recovery costs, secured a wastewater allowance for the customer, made a gesture of goodwill for service failings, offered the customer a payment plan, and supported the customer by getting the meter replaced, it denies responsibility to reduce the customer's charges further and provide the customer with 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 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. As the adjudicator of this dispute, I can only direct the company to reduce the customer's charges if the evidence shows, on the balance of probabilities, that the company has failed to provide its service to the standard reasonably expected by the average customer by charging the customer for water lost through an external leak, a faulty meter or a shared supply, or where the customer's charges have increased due to some other failing on the company's behalf.
2. The company and the customer agree that the high consumption was due to a private leak, not an external leak, faulty meter or shared supply, but the customer states that the charges

increased due to the company's failure to sufficiently notify them of the possibility of a leak. The company accepts that it failed to read the meter in 2019, but states that all other bills have been based on actual meter reads that have demonstrated high consumption, it sent the customer a high consumption letter on 2 October 2017 but the customer did not respond, and the leak was only repaired six months after a Section 75 notice was issued to the customer in November 2020. The company states that it does not follow up high consumption letters with further letters for non-household customers as business needs and activities often make water usage fluctuate.

3. Having reviewed all the evidence presented by the parties, including the time line of events, the table of meter readings in the company's response, the high consumption letter dated 2 October 2017, and the bills sent to the customer since 2017, I find that the company provided the customer with sufficient notice that their consumption was high.
4. I accept that the company failed to read the customer's meter in 2019, but the company has paid an appropriate goodwill gesture to the customer for this failing, and as the customer had already been informed that their consumption was high but had taken no action to resolve it, I do not find that this service failing had a material impact on the customer's high consumption. In any event, I accept the company's position that such a service failing would not justify a significant reduction in charges, and I find the company's explanation regarding why it does not routinely follow up high consumption letters with further letters for non-household customers is reasonable. Further, I find that the delay in repairing the leak after the Section 75 notice was issued in November 2020 would have increased the charges considerably.
5. In view of this, I cannot find that the company has failed to provide its service to the standard reasonably expected by the average person by billing the customer for the water consumption recorded on their meter.
6. I appreciate that the customer will be extremely disappointed by my decision but, as I have found no failing on the company's part, and find that the charges on the customer's account are most likely correct and payable, I cannot direct the company to reduce the customer's charges; therefore, the customer's claim cannot succeed. However, I note that the company offers the customer a payment plan to clear the arrears and, if the customer would like to take advantage of this offer, I encourage them to contact the company directly about this.

7. For completeness, I add that although I acknowledge the customer's comments about the direct debit, I do not find that this has any impact on whether the balance on the account is owed, and I do not find that the company failed to provide its service to the expected standard in this regard.
8. The customer has also asked for the late payment charges applied to their account to be removed, and the company has provided evidence to show that a credit was applied to the customer's account for £8,380.00 and the charges for late payment have been cancelled. Therefore, I make no further direction to the company in this regard.
9. The customer also asks for an apology on the basis that the company has been unsympathetic and has not taken their circumstances into consideration. I understand that although the customer is classed as non-household, the church is run by volunteers who are not business-minded, and the situation will have caused a great deal of worry. However, as I have found that the charges applied to the customer's account are most likely correct and payable, the company was entitled to ask for payment and instruct a debt collection agency to recover the arrears; therefore, while I understand that my decision is not what the customer hoped for, the customer's claim for an apology cannot succeed.
10. Following the preliminary decision, the customer made some additional comments. I thank the customer for these comments, but I am unable to consider new issues that did not form part of the original complaint at this stage, and I reassure the customer that the other issues raised were considered during my preliminary adjudication. In view of this, although I fully appreciate the frustration and disappointment the church volunteers feel, for the reasons I have expressed above, but particularly because the evidence shows that the leak most likely started at some point after 2016 and the company sent a high usage letter in October 2017, and it is reasonable for the company not to follow up high usage letters sent to non-household customers, my decision remains unchanged.

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 7 June 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