

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1173

Date of Decision: 25 March 2019

#### Complaint

The customer's water meter is old, and the customer does not believe it is recording accurately. The customer had a leak to the supply. The wholesaler was slow to attend to investigate the leak. The customer was not advised that a leak needed to be repaired within 28 days for a leak allowance to be granted. The company repaired the leak 7 days after receiving a notice to repair from the wholesaler.

#### Defence

The customer contacted it about the leak on 29 March 2017 and the company advised them to conduct a self-leak test. The customer did not make further contact until March 2018. The meter has been reading correctly since the leak was repaired. The company is not responsible for any advice given or not given by the wholesaler to the customer directly. It is bound by the wholesaler's policies and is unable to apply a leak allowance.

#### Findings

The scope of the Water Redress Scheme is limited to the company and its actions; I am not able to review the actions of the wholesaler. The company did fail to advise the customer of the wholesaler's 28-day leak policy, however it acted appropriately by advising the customer to complete a leak test. The advice was also given prior to the company taking over the account and the wholesaler also remained responsible for the physical supply of water. The company had failed to act in the manner expected of a water retailer in how it handled the customer's correspondence, however these failures do not relate to the wholesaler's refusal to grant a leak allowance. The company properly represented the customer's interests by challenging the wholesaler about its decision not to grant an allowance.

#### Outcome

The company does not need to take any further action.

The customer must reply by 22 April 2019 to accept or reject this decision.

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to be repaired within 7 days. The wholesaler will not grant a leak allowance as its policy states that a leak must be repaired within 28 days of a customer becoming aware of it. The company has challenged this decision as the wholesaler was the cause of delays causing the repair to go over the 28-day period. The wholesaler's response is that it was the company's responsibility to inform the customer of the 28-day policy. The wholesaler was contacted by the customer directly and the company denies that it had the opportunity to inform the customer of the policy. The meter has been recording correctly since the repair. A meter accuracy test can be arranged, but this is chargeable to the customer at a cost of up to £475.00, payable if no fault is found. The customer has not made any payments since February 2017. If the customer had contacted the company after completing the self-leak test, the company would have advised the customer of the 28-day leak allowance policy and how to apply for a leakage allowance. The company is bound by the wholesaler's scheme of charges and policies and it is unable to apply a leakage allowance. It is not responsible for any information that is or is not provided by the wholesaler directly to the customer.

### 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.

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## How was this decision reached?

1. The customer is requesting a leak allowance be applied to their account and that they are re-billed based on current usage levels. The basis of this claim is that the company and the wholesaler, RST Water, failed to advise the customer that any leak needed to be repaired within 28 days for a leak allowance to be considered.
2. The customer moved to the property on 29 July 2015. The customer has provided bills from 1 September 2015 onwards. I note that the first bill, dated 1 September 2015, was for 73m<sup>3</sup> of usage between an estimated reading on 17 July 2015 and an actual reading taken on 28 August 2015, a period of 42 days. I note that this bill was based on an estimated reading and therefore may not reflect actual recorded usage levels. The average daily usage (ADU) was nevertheless 1.71m<sup>3</sup>.
3. The second bill was dated 23 February 2016 and was for recorded usage of 512m<sup>3</sup> over 176 days, providing an ADU of 2.91m<sup>3</sup>. The 28 August 2016 bill showed the ADU to have increased to 3.12m<sup>3</sup>, whilst this had increased further to 3.65m<sup>3</sup> by the 21 February 2017 bill.
4. The customer notes that it was in February 2017 that they first realised that there may be a leak. The customer contacted the company on 29 March 2017. They then contacted RST Water and a site visit was conducted on 12 April 2017. The customer received an email from RST Water on 13 June 2017 that made reference to a Section 75 Notice to Repair. The customer had the leak repaired on 20 June 2017. I note that this is a period of 69 days from the date of the site visit to the repair, and 83 days from the customer's first contact with the company.
5. At this point I shall set out the scope of the Water Redress Scheme in respect of the company. The company is a water retailer, billing the customer for the water services provided by the water wholesaler, RST Water. In order to make a decision in this dispute, I must clearly distinguish between actions taken by the wholesaler, and the duty owed by the retailer, the company, to its customers. Since the water market in England opened up to retailers in April 2017, all non-household customers and accounts have been moved to a wholesale/retail split service. As a result, a non-household customer now only has a relationship with the retailer. In turn, the adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, a party to the case, has responsibility, but not those things for which the wholesaler has responsibility.

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6. I note that the key events in this dispute span the period in which the company became the customer's water retailer. However, the claim has been brought against the company and I remain limited to reviewing only the actions of the company and not the water wholesaler.
7. I find that the only contact between the customer and the company in relation to the leak was the call on 29 March 2017. I note that this was immediately prior to the water retailer taking over the customer's account; however, at the time of this call, the company was not responsible for the customer's account, billing or water supply.
8. I acknowledge the call note from the 29 March 2017 call. This indicates that the company advised the customer that, as the bill was based on actual meter reads, the customer should do a self-leak test to see if there is a leak at the property. The note concludes that the customer would do this "and call [the company] back with the results of this".
9. In the comments, the customer states that the company also informed the customer that it only dealt with billing and would not deal with leaks as this part of the service was managed by Severn Trent. I am mindful that, at the time of the call, the company had not taken over the account and that it was correct to advise the customer that the wholesaler was the party responsible for the physical water supply to the customer's property. However, I am nevertheless mindful that, from the note added at the time of the call, the customer was to call the company back with the results of the leak test.
10. I accept that the company could have advised the customer on 29 March 2017 that the wholesaler had a policy where a leak allowance would only be considered where it was repaired within 28 days. However, I am mindful that the company was not, at that time, responsible for the customer's account, and that the note indicates that it was expecting the customer to call it back with the results of the leak test. In view of the context, whilst I accept that the company did miss an opportunity to proactively advise the customer of the wholesaler's limited leak allowance policy, I find that the company nevertheless acted in the manner expected of a reasonable water retailer by advising the customer to complete a leak test and contact it with the results.
11. The customer then contacted RST Water directly and dealt with the wholesaler in respect of the leak. The customer did not make any further contact with the company until it submitted a leak

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allowance claim form on 18 September 2017. As above, I am not able to review how the wholesaler handled the customer's contact.

12. The customer commenced a complaint with the company on 19 March 2018. The company did not respond to this letter. A second complaint was sent to the company on 18 June 2018. It also appears that the company sent bills based on estimated meter readings, based on the usage levels prior to the leak being resolved, resulting in a requested balance of £6945.78.
13. Following the second complaint, the company responded on 19 June 2018 and recalculated the customer's bill based on the actual meter readings. This reduced the account balance to £4953.29. I note that the company did not address parts of the customer's complaint, including the customer's concerns that they may be being billed on the wrong meter.
14. I note that, on 11 July 2018, a representative of the wholesaler visited the customer's property and confirmed that the water meter was recording correctly. The customer also advised on 17 July 2018 that they wished to have the meter changed. The company responded to this complaint in full, advising that the meter had been tested on site and found to be working correctly, and that usage had reduced to 0.2m<sup>3</sup> per day since the leak repair. I find this to be correct and that usage levels have remained low and stable since the leak was repaired, indicating that, whilst the meter is old, it is still recording usage accurately. I find that the company did wrongly state in this correspondence that no repair had taken place, despite this being advised in the customer's previous correspondence dated 18 September 2017.
15. On 3 August 2018, the company advised the customer that the wholesaler policy is that a leak must be repaired within 28 days of it being noticed for a leak allowance to be considered. It appears to have taken the company almost a year to consider the customer's leak allowance claim form that was sent to the company on 18 September 2017.
16. Notwithstanding this, the customer responded to the company and provided details of the delay to the leak repair, including that part of the delay was caused by the wholesaler providing incorrect advice that a leak was under the floor of the customer's warehouse.
17. I am mindful that the company has contacted the wholesaler to request a leak allowance, and to challenge the wholesaler's refusal to grant this. It has also highlighted to the wholesaler that they were the cause of the delay; however, the wholesaler continued to decline the allowance. I

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also note that, as the meter has been tested on site as correctly recording usage, it would not be replaced unless the customer requested a meter test, the cost of this being up to £475.00.

18. As above, I am not able to review the actions of the wholesaler or make any direction that the wholesaler take any action. I am only able to deal with the company under the Water Redress Scheme. I am satisfied that the company has properly represented the customer's position to the wholesaler, including highlighting that the reason for the delay to the leak repair was incorrect advice provided by the wholesaler. However, where the wholesaler refuses to grant a leak allowance, the company has no power to overrule that decision. I am satisfied that there have been failures by the company to act in the manner of a reasonable water retailer, in particular in respect of delays in responding fully to correspondence. However, these failures occurred after the leak had been repaired. I am not persuaded that there has been any failure by the company that has affected the leak to the customer's supply or the time taken to have this repaired, or that the company has otherwise affected the customer's entitlement to a leak allowance with the wholesaler.

19. The customer has requested a leak allowance and for the company to re-bill them based on the current usage levels. As above, I am not persuaded that the company has negatively impacted the customer's entitlement to a leak allowance, and I am satisfied that it has properly represented the customer's interests to the company in respect of this allowance. I am not able to direct the company to recalculate the customer's bills where these are based on actual meter readings and the wholesaler has refused to grant an allowance. Whilst I acknowledge the company's failures in how it has handled the customer's complaint, no remedy has been requested in respect of these, and these failures are not related to the wholesaler's refusal to grant a leak allowance. I also note that the company has provided the customer with a Guaranteed Standards Scheme payment of £20.00 and a gesture of goodwill of £40.00. For the reasons given above, I find that the customer's claim against the company is unable to succeed.

#### **Outcome**

The company does not need to take any further action.

#### **What happens next?**

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- This adjudication decision is final and cannot be appealed or amended.
  - The customer must reply by 22 April 2019 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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**Alison Dablin**, LLM, MSc, MCI Arb

**Adjudicator**

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