

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0545

Date of Decision: 4 August 2017

#### Complaint

The customer submits that his water charges have been dramatically reduced since he had a water meter fitted on 17 February 2017. The customer claims that the company should have informed him earlier of his right to have a water meter fitted and by failing to do so and continuing to calculate his bills based on the rateable value method, it was overcharging him.

#### Defence

The company submits that it provided information to the customer regarding the option of having a water meter fitted with annual bills, leaflets and via its website. It also fitted a water meter and changed its method of charging the customer from the rateable value of his property to the volume of water used. The company denies that the rateable value charges were incorrect or that it overcharged the customer. The company submits therefore that it provided its services to the customer to the standard to be reasonably expected by the average person.

#### Findings

The company installed a water meter at the customer's property and switched to charging the customer on a measured basis, when the customer requested this. There is no evidence that the company overcharged the customer or that it was under an obligation to inform him of the option of having a water meter fitted or that it breached this duty. Therefore, I find there is a lack of evidence of the company failing to provide its services to the customer to the standard to be reasonably expected by the average person.

#### Outcome

The company is not required to take any further action.

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The customer must reply by 1 September 2017 to accept or reject this decision.

## ADJUDICATOR'S DECISION

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### Party Details

Customer: ██████████

Company: ██████████

### Case Outline

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

- He purchased his home as a new property in 1982. Since this time he has paid the company's annual bills based on rateable value until a meter was fitted on 17 February 2017 (as per the company's suggestion).
- His family alerted him that his rateable value water bills were excessive and that he should have been offered a water meter in the past. The company confirmed that all neighbouring properties were contacted and fitted with water meters around 1991.
- The customer complains that he was never offered one at any time up until installation on 17 February 2017. Since having the meter installed his first metered bill is £45.02 per quarter (in the region of £160.00 per annum). This contrasts with the previous bills for example his 2016 annual charge was £827.89. Therefore he was being overcharged by £668 or by 80% and similarly in previous years.
- The customer refers to the company's letter of 12 January 2017 which makes reference to the Water Industry Act 1991 ('WIA') bringing in the provision that a customer can elect to pay by reference to volume. The customer asserts that he was not offered a meter to enable him to "elect" to have one. The company has also misquoted section 47 of the WIA.
- The company refused to discuss compensation and he complained to the Consumer Council for Water, with no resolution provided.

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- The customer requests compensation based on the difference calculated between the rateable value charges and what should have been charged for metered by consumption by volume between 5 November 1991 to 17 February 2017, as per the company's records.

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

- The customer bought the property in 1982 and it raised unmetered charges based on the rateable value of the property as assessed by the HMRC (formerly known as The Inland Revenue) from 7 November 1982 until 16 February 2017 when a meter was fitted following a letter from the customer received on 28 December 2016 and its reply sent to the customer on 4 January 2017.
- The company denies the claim that incorrect charges were raised prior to when the meter was installed and reiterates they were correctly raised based on the rateable value of the property, in accordance with the Charges Scheme approved by Ofwat, in accordance with the WIA. It agrees that the customer's unmetered bill for 2016/2017 was £827.89.
- It provides details of the option to have a meter installed under its domestic meter option scheme, on request and it is the customer's choice to opt for the installation of a meter. It informs all customers of their right to have a meter installed and to be charged on a metered basis by including information on annual unmetered bills and on its website regarding this.
- It is not under a duty to notify the customer of his option of having a water meter and/or provide advice that installation of a water meter could save him money. It is a customer's choice to decide based on their own circumstances and personal use of water.
- It agrees that the customer's first metered bill dated 27 April 2017 totals £45.02. However, it avers that this is not necessarily an indication of the customer's annual water usage as quarterly charges fluctuate due to seasonality and customer behaviour.
- It cannot discuss other customer's billing arrangements due to the provisions of the Data Protection Act. The customer has provided no evidence to support the claim that all other local properties were contacted.
- Section 47 provides the term and conditions which it may apply when a customer requests a new water supply. The condition that any new property has a water meter installed was introduced when the HM Inland Revenue ceased to assess rateable values to new properties. It was then decided that although rateable value based charges would continue for existing domestic customers, that new properties would have a water meter fitted. For the new policy to be fair to all domestic customers, existing customers were given the opportunity to have a water meter installed.

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- The company denies that it is liable for the claim.

### 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.

If the evidence provided by the parties does not prove both of these issues, the company will not be directed to do anything.

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. I remind the parties that adjudication is an evidence-based process and it is for the customers to show that the company has not provided its services to the standard that would reasonably be expected of it.
2. The customer's claim concerns the company's charges raised prior to when he had a water meter, which were based on the rateable value of his home.
3. I acknowledge that the company installed a water meter at the customer's property on 17 February 2017 in accordance with the customer's request. The parties agree that prior to this the customer's bills were calculated using the rateable value (of the property) being the value of the premises as determined by the Valuation Office between 1973 and 1990, which was last updated on 31 March 1990.
4. The customer's first measured bill dated 27 April 2017 was calculated in the amount of £45.02 per quarter and therefore he submits that based on the calculation that his annual bill will be in

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the region of £160.00, if this is compared to his 2016 annual bill for £827.89, he was overcharged by £668.00 (approximately 500%) and similarly in previous years.

5. Having reviewed the case papers, I consider that the customer is not disputing the accuracy of the company's calculations used to raise the customer's charges whilst on the Ratable Value System, rather he claims that the company was under a statutory duty to offer him the installation of a water meter (from 1991) and that it failed to do so. He claims that the result of which meant he was substantially overcharged for its water and sewerage service as his bills remained on the unmeasured rateable value method of charging until 17 February 2017.
6. I find that a customer has a right to be charged for water on the basis of what (s)he uses and that the water company must install a water meter, free of charge within three months of when it has been requested by the customer, unless it is not practical or too expensive to do so. This provision applied to existing customers when brought in under the WIA when water companies began fitting all new homes with water meters. Water companies also have to provide information to customers, if asked, regarding the option of having a water meter and indicate if the customer may save money by having a water meter installed based on any information they provided.
7. However, I do not accept the customer's suggestion that the WIA places an obligation on water companies to notify customers of their option of having a water meter, rather it provides that the customer can choose to pay by reference to the volume of water used. Further, there is no requirement on the company to provide advice to a customer that a water meter will save them money, as I accept that this would depend on a customer's individual circumstances including the number of occupants in the property and their water usage. I have not been provided with any evidence that the company was made aware of the customer's individual circumstances, or that it reasonably ought to have known that the customer would have been better off with a water meter, prior to the customer contacting it in December 2016.
8. On a balance of the evidence, I accept the company's submission that it provided information to the customer about the option of having a water meter, as shown on his annual bills and customer guides provided to him. I also accept this information has been available on the company's website. Therefore, whilst it is evident that the customer was paying significantly higher bills when based on the rateable value of his home, I consider that the company took

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reasonable steps to make the customer aware of the option of having a water meter installed. As I am also satisfied that the company fitted a water meter and changed its method of charging the customer based on the volume of water used, as and when sought by the customer, I find that the company acted in accordance with its duties and the customer's rights relating to water meters.

9. I acknowledge the customer's submission that the company confirmed that it contacted neighbouring properties in 1991 regarding having a water meter. I have not been provided with any evidence of this and moreover, as this matter concerns third parties, I would be unable to consider such when making my decision.
10. In light of my above findings, there is a lack of evidence of the company failing to provide its services to the customer to the standard to be reasonably expected by the average person. Therefore, the company is not liable to refund the customer's rateable value charges since November 1991 or the difference between these and his measured bills since he had a water meter fitted on 17 February 2017, as sought. Any such refund would be discretionary on the part of the company.
11. Therefore the claim cannot succeed.

#### **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 1 September 2017 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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**A. Jennings-Mitchell**, Ba (Hons), DipLaw, PgDip (Legal Practice), MCI Arb  
**Adjudicator**

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