

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0634

Date of Decision: 2 January 2018

#### Complaint

The customer submits that his Rateable Value (unmeasured) 2017/2018 bill of £2949.33 does not accurately reflect the water used by his small commercial premises, which has one tap. The company has refused to fit a water meter or place him on the lower Assessed Charge tariff. The customer requests that the company place him on an Assessed Charge, pay him £1000.00 in compensation for time spent away from his business in order to pursue redress for this complaint and provide an apology.

#### Defence

The company confirms that the complaint relates to the customer's 2017/2018 Non Household bill. It is the wholesaler, *RTS* that sets the basis of the customer's Non Household charges, and therefore it is not within its remit to change the basis of a wholesaler's charges. It has tried all avenues open to it to assist the customer including seeing if a meter could be installed and requesting that *RTS* put the customer on an Assessed Charge however this was rejected by *RTS*. The company therefore denies it is liable for the claim. It has not made any offer to settle the claim.

#### Findings

The majority of the complaint falls outside the scope of WATRS as it relates to the customer's Non Household charges, the basis of which are set according to third party *RTS*'s policies and Charges Scheme and it is not a matter the company can decide on or has authority to change. The WATRS scheme can only deal with matters that are within the control of the member company. However, as the customer's retailer, the company is responsible for handling customer service complaints raised. The company delayed in getting back to the customer regarding the requested water meter survey and it could have done more to pursue the complaint with *RTS* on the customer's behalf before suggesting the customer escalate the matter to the Consumer Council for Water. It also provided misleading information to the customer regarding the Consumer the Council for Water's powers. This is 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 required to pay the customer £75.00 in compensation and provide a written apology.

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**The customer must reply by 30 January 2018 to accept or reject this decision.**

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0634

Date of Decision: 2 January 2018

## Party Details

Customer: [REDACTED]

Company: [REDACTED]

## Case Outline

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

- He owns a small take-away business which has only one cold tap and a small electric hot water appliance with a capacity of about a gallon. There is no toilet or WC facility. He uses the flat's toilet above the shop; he has a separate water account with the company for the flat but water is supplied by one common water supply to the building.
- The company billed him for £2949.33 (2017/2018) in unmeasured charges for his small commercial premises.
- For the past 5 years *RTS* negligently failed to fit a water meter despite his repeated requests and instead estimated charges at approximately £4000.00 per year for the two accounts.
- He referred his complaint to the Consumer Council for Water (CCWater) however it would not consider his complaint despite it clearly having authority to and he therefore feels this was discriminatory.
- The customer requests that he is put on an Assessed Charge (backdated to the start of supply), as previously granted by CcWater when a case was referred to them.
- The customer requests £1000.00 in compensation for time spent away from his business to pursue redress for this complaint (based on 20 hours @£50.00 p/h).
- The customer requests an apology from the company for the lack of communication.

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

- Its name [REDACTED] is the brand name for [REDACTED] delivering Retail Water Services in the *RTS* Wholesale area following the opening of Non Household (NHH) water market in April 2017. Therefore it is completely independent and legally separated from wholesalers *RTS*.

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- The customer's business (known as [REDACTED] ) is a NHH premises and the complaint relates to the customer's 2017/2018 NHH charges of £2949.33.
- The customer rents the premises as well as a flat at the same location. It does not offer retail services to the customer at the flat as this premises is considered a Household (HH) and will be served by the wholesaler, *RTS* .
- The disputed NHH charges are based on the Rateable Value of the premises and are made up of £2887.36 wholesale charges paid by it to *RTS* and £61.97 in Retail charges to cover its costs in billing/complaint handling etc.
- *RTS* set the type of wholesale charges and tariffs for each NHH customer in accordance with their Wholesale Charges Scheme. Every wholesaler has different policies in respect of their charges including how they charge for unmetered properties. Some allow an Assessed Charge where a meter cannot be fitted whereas some like *RTS* do not. Retailers are charged through this settlement process with all relevant wholesale charges subsequently being passed through to the end customer. Retailers have no flexibility as to whether or not they pay the wholesale charges otherwise they would lose their licence.
- Therefore as *RTS* do not offer an Assessed Charge for unmeasured NHH customers; it receives a monthly settlement charge from *RTS* for the customer's NHH premise based on Rateable Value. Unfortunately it cannot therefore change the basis for the charging of the premise on its own as it would be significantly out of pocket. This is not its policy but that of the wholesaler.
- As the customer's retailer, it requested *RTS* to investigate whether a meter could be fitted to minimise the customer's costs and so that he would be charged for what he actually used. It was aware that a survey had been previously carried out but metering systems have changed since that time so it requested a new survey. Unfortunately *RTS*'s response was that a meter installation was not possible. It challenged *RTS* to put the customer on an Assessed Charge as had been done to his HH premises but unfortunately this was refused again by *RTS*.
- Therefore it is not within its remit to change the basis of a wholesaler's charges to a customer. It has challenged *RTS* and asked them to reconsider and change its policy but this too has been rejected and it continues to pay wholesale charges from *RTS* on the Rateable Value of the customer's premises. It is very sorry that the issue has been ongoing before it started to retail to the customer but it has tried its utmost to get him a satisfactory result. It therefore cannot reduce the customer's bill as per his claim or pay the customer compensation for his time as detailed in his claim.

### How is a WATRS decision reached?

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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. The company is the retailer and RTS (RTS ) is the wholesaler for the region in which the customer's commercial premises is located. This division occurred as a result of government changes which "opened up" the competitive water market which came into effect on 1 April 2017. The company and RTS are therefore two distinct and separate entities. I must remind the parties that a WATRS application can only be brought against one party. As the customer is a NHH customer, this case has been defended by the company, the retailer and therefore for the purposes of this decision, my remit is to determine the issues between the customer and the company. I am unable to consider any claims or complaints in relation to RTS or other third parties. I shall proceed with my decision on this basis.
2. The claim concerns the water charges raised in connection with the customer's takeaway business: Bombay Delights and in particular the method of charging. The crux of the dispute is that his request for measured charges via a water meter has been refused and yet the company has refused to place him on an Assessed Charge. The customer disputes that the Rateable Value Charges of £2949.33 for 2017/2018 accurately reflect his usage, which is minimal due to the premises only having one tap and one small electric hot water appliance with a capacity of about a gallon. The company, in its defence, confirms that following a water meter survey carried out by RTS showing that a meter could not be installed due to a shared supply with the

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flat upstairs, the customer remains on the Rateable Value method of charging as RTS do not offer an Assessed Charge.

3. It is clear that as the dispute stems from the customer's NHH charges being based on the Rateable Value of the premises rather than on a measured basis as a result of RTS's position that it cannot install a water meter due to a shared supply with the flat upstairs. It is the wholesaler, RTS that is responsible for investigating if a meter can be installed and also for determining the method of charging NHH customers, therefore, as a result, the majority of the complaint falls outside the scope of WATRS. This is because, as explained above, I am unable to consider complaints directly against RTS or any decisions taken by them as they are a third party in this adjudication. However, I am able to consider the dispute from the perspective of whether the company, in its role as the customer's retailer, provided its customer services to the standard to be reasonably expected when dealing with the customer's complaint about the same.
  
4. The company has submitted its correspondence exchanged with the customer regarding the disputed matter since 17 January 2017 including relevant responses from RTS for the timeframe which pre-dates 1 April 2017. I have seen the CCWater correspondence regarding the same. On balance, I accept that the customer first requested a water meter several years ago which was refused due to the customer's commercial premises being on a shared supply with the domestic premises above. It is evident that the customer complained in writing to RTS on 17 January 2017 regarding this issue and its subsequent refusal to place him on an Assessed Charge (as it has previously done). I note that in its response of 14 February 2017, RTS confirmed its policy that it does not offer an Assessed Charge for NHH accounts and also highlighted that the customer had outstanding charges of £9258.26 and advised that it would shortly be taking enforcement action to recover the outstanding balance. The customer in his letter of 17 February 2017 complained that its response had not addressed his concerns raised and, in RTS's subsequent response of 8 March 2017, it advised the customer that someone would be contacting him in regards to arranging a further water meter survey. The evidence indicates this had not happened by 1 April 2017 although RTS later advised it had attempted to contact the customer during March by telephone without success. However, I remind the parties that I cannot make a finding on RTS's handling of the customer's complaint up to this point as it pre-dates 1 April 2017 and, as explained above, I am limited to looking at the company's

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handling of the matter, since it became the customer's retailer on 1 April 2017. Therefore the above information is noted as background to the complaint only.

5. It is evident from the document titled 'Timeline of contacts and actions with [REDACTED]', submitted by the company, that the customer contacted the company (details not provided) regarding the fact that no-one notified him of a meter survey as agreed and so on 1 June 2017 the company escalated the matter by logging a complaint to RTS regarding the same. The company accepts that in the response it received from RTS on 2 June 2017, RTS suggested it submit a new B1 meter installation form for a meter survey to be arranged. I note that the company submitted a new B1 form to RTS on 23 June 2017. The company has not explained why it took 3 weeks to take this recommended action. As the customer had not been given a date for a water meter survey as previously requested, he complained again to the company on 24 June 2017. I consider the delay by the company in submitting the B1 form and in getting back to the customer shows the company failed to meet its own service standards as well as falling short of what a reasonable person would expect.
6. In its subsequent response dated 3 July 2017 the company advised that an appointment had been booked for 28 July 2017 for RTS to survey his premises and also confirmed that it will place a hold on his account for 6 weeks until his case has been thoroughly investigated. Therefore, as the company's 3 July 2017 response to the customer addressed the issue and also included contact telephone and email details, I am satisfied the company provided services to the standard to be reasonably expected in this regard.
7. The company wrote to the customer on 11 August 2017 following feedback received from RTS on 1 August 2017. I find that within its letter to the customer it informed him of RTS's decision that a water meter installation was not possible due to one external stop tap (for both the residential and commercial premises) and that in order for a meter to be installed on the NHH premises, a separation of pipe work would have to be carried out (by the customer). It continued by stating that where a meter cannot be installed on a commercial premises, the charges are based on the Rateable Value of the property explaining that whilst the domestic residence on the first floor could be placed on an Assessed Charge, this was not applicable for a commercial premises, in accordance with the RTS policy. I note that the company then informed the customer that a similar case whereby a customer at a commercial premises was refused an Assessed Charge, had referred the complaint to CCWater and had the decision

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overturned. I note that the customer then escalated his complaint to CCWater, as recommended by the company.

8. Therefore, I find that whilst the company relayed to the customer the feedback provided by RTS following its survey, there is a lack of evidence of it 'challenging' RTS to put the customer on an Assessed Charge, as claimed in the defence or to support the company's assertions that it tried its utmost to get him a satisfactory result and tried all avenues open to it to reduce the customer's bill. Therefore I do not accept the company's assertions. In this situation where the complaint relates to a matter the wholesaler decides on, I consider that, to an extent, the customer is reliant on a retailer to pursue such issues on their behalf directly with the wholesaler. I am not satisfied that the company took sufficient action in this regard in the customer's case. I also consider that the wording of the company's 11 August 2017 letter was such that it suggested CCWater had authority to 'overturn' RTS's decision. CCWater have no such power and therefore I find that the letter was misleading. In light of my above observations, I am satisfied that this is further evidence of the company failing to provide its services to the standard to be reasonably expected by the average person.
9. The customer has raised a complaint against CCWater on the basis that it did not properly consider his complaint. However, I am unable to consider this claim because, as mentioned above, complaints made in relation to a third party, including CCWater are not covered by the WATRS scheme.
10. In light of my above findings, it is clear the complaint mainly falls outside the scope of WATRS, due to the complaint relating to the basis of the customer's NHH charges and tariff which are set according to RTS's policies and its Charges Scheme and is not something the company decides or has authority to change. It is for this reason that the company is not responsible to provide the majority of the remedies requested by the customer. However, in light of my above finding that the company took 3 weeks to submit a B1 form and delayed in getting back to the customer regarding the requested water meter survey, whilst relatively minor in the wider context of the dispute, I accept it was a failure that caused the customer unnecessary inconvenience. Further, the company could have done more to pursue the complaint with RTS on the customer's behalf and the information in its letter to the customer regarding CCWater's power was misleading and therefore this constitutes a failure in customer care. As such, I consider that it is reasonable for the company to pay the customer compensation of £75.00 for

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his additional time spent on the complaint and stress and inconvenience caused to him as a result of its failures.

11. The customer also requests that the company provides an apology. As the company failed to provide its services to the customer to the standard to be reasonably expected when it delayed in arranging a water meter survey and did not adequately challenge the wholesaler's position on behalf of the customer, the customer's request for an apology is reasonable and I direct that the company provide a written apology to the customer on this basis.

#### **Outcome**

The company is required to pay the customer £75.00 in compensation and provide a written apology.

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

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 30 January 2018 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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