

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0644

Date of Decision: 24 January 2018

Complaint

The customer submits that the company billed them for sewerage services not rendered and their claim for a rebate was refused on the basis that the claim was not made within 6 weeks as per its policy. The customer requests a refund of £1231.59 against sewerage charges of £1679.71 as raised in bill number 8056736857, dated 21 June 2017.

Defence

The disputed leakage allowance relates to a leak in September 2016 which was rejected by the wholesaler *RST* due to the form being submitted 10 months after it was repaired. This is outside of *RST* 6-week policy. As it is the wholesaler, *RST*, that decides if a customer is due a leak allowance (including for sewerage waste services), it does not have authority to approve the leakage allowance requested. The company admits it made errors in dealing with customer's complaint raised however it has paid the customer £60.00 in Guaranteed Service Standard (GSS) payments in recognition of these services failures. The company therefore denies it is liable for the claim. The company made no offer of settlement.

Findings

The company adjusted the customer's bill number 80567 ■■■ by applying £2369.06 in September 2017 as it accepted that the estimate charges were incorrect because they had been based on usage after the leak. I find that the company should have rectified the customer's bill in July 2017 when the customer first raised this. This is evidence that the company failed to provide its services to the standard to be reasonably expected. In relation to the rejection of the customer's claim for a refund of the sewerage charges raised on a previous bill relevant to the period of the leak, the company does not have authority to grant this refund as it is *RST* that decides if a customer qualifies for a leakage allowance. However, the company did not challenge *RST* decision to reject the customer's claim for a refund of sewer charges on the customer's behalf. This is further evidence that the company did not provide its services to the standard to be reasonably expected.

Outcome

The company does not need to take any further action.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.



The customer must reply by 21 February 2018 to accept or reject this decision.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

www.WATRS.org | info@watsr.org

ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0644

Date of Decision: 24 January 2018

Party Details

Customer: ██████████

Company: ██████████

Case Outline

The customer's complaint is that:

- ABC Limited operate a chain of petrol stations and following a leak which was fixed in September 2016, they were overcharged by the company for its sewerage waste service. The customer asserts that the company did not carry out this service on a large percentage of the water because of the leak (as the water did not return to the sewer).
- They applied for a refund on the water not processed as waste but due to the company's policy of only considering claims made within 6 weeks of the leak, their claim was rejected.
- The customer asserts that it is illegal to invoice for services not rendered and therefore the sewerage charge is unfair.
- The customer seeks a refund of sewerage charges in the amount of £1231.59 and requests that bill number 8056736857 is amended to reflect this.

The company's response is that:

- The complaint relates to a water leak in September 2016 and the rejection of a leakage allowance.
- The company submits that the decision to reject the customer's request for a leakage allowance was made by the wholesaler, RST (RST). As the retailer, it is responsible for billing, arranging meter reads and handling customer service for water consumption which includes applying to the wholesaler for leakage allowances and reporting back their decision to the customer.
- Within RST' Charges Scheme, under section 12 titled 'leakage allowance', it states that an allowance is not applicable if the claim is not made within 6 weeks of the repair.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

- It does challenge the wholesaler on a regular basis where it feels the customer has a case however in this case the application was made around 10 months after the leak was fixed and so substantially outside RST' leakage allowance policy.
- As a retailer it is charged by RST and it then passes these charges onto the customer in a form of a bill. It cannot process an allowance unless it has been approved by RST otherwise it would be left to cover the cost as it would be unable to recover this cost from the wholesaler. In a competitive market, where margins are slim this could prove very costly for it as a retailer. Therefore it cannot amend the customer's bill as sought. However it did amend the customer's bill number 80567■■■ from £3246.20 to £396.34 in September 2017 as it became apparent this bill had been raised incorrectly due to higher estimate reads being on record due to the period of when the leak was present.
- The company admits it made errors when handling the customer's request for a leakage allowance. Firstly, it should not have issued the customer with a leakage allowance form in July 2017 due to the fact that the leak had been repaired 10 months earlier and any claim was already outside the claim period. As the form was sent in error, it compensated the customer with a £20.00 GSS payment. Secondly, it failed to respond to the customer's email of 11 October 2017 and also the Consumer Council for Water's (CCW) email of 28 September 2017 until 31 October 2017 due to its representative ■■■ being on annual leave. This was outside the 10 working day service standard. It also misunderstood the bill adjustment made by its billing department in September 2017 and thought this resolved the customer's complaint whereas the adjustment was in recognition of bill number 80567■■■ consisting of estimates incorrectly based on usage at the time of the leak. Due to the service failures, it processed two GSS payments of £20.00.

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.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

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 RST is the wholesaler for the region in which the customer's petrol stations are 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 RST 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 Non Household 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 RST or other third parties. I shall proceed with my decision on this basis.
2. The claim concerns the company's rejection of the customer's claim for a leakage (non-return to sewer) allowance. It is not disputed that the customer's request for a leakage allowance was rejected. However the company submits this is due to RST' policy that any claim must be made within 6 weeks of a leak being fixed. In light of RST' leakage allowance policy as stated in its Charges Scheme, I accept that it falls to RST to decide if the customer qualifies for its leakage allowance (including charges for sewerage waste which is calculated as a percentage of the water used). Further, I accept that only if RST authorises a refund, would the company be able to pass this refund on to the customer.
3. As explained above, I am unable to consider complaints regarding RST' responsibilities as RST is 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. In the customer's WATRS application, they dispute the sewerage charges raised on the bill dated 21 June 2017, number 80567 ■■■■ which was paid by direct debit in August 2017. It is clear that this bill totalling £3246.20, covers the billing period from 23 February 2017 to 21 June

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

2017 and therefore I find it does not contain charges for sewerage waste at the time of the leak in September 2016. It is evident however that following the customer's complaint raised with the company on 10 July 2017, a credit of £2369.06 was applied against the total bill amount of £3246.20 reducing the bill to £396.34 because the company accepted that the estimated water and sewerage charges had been incorrectly calculated based on usage at the time of the leak. Whilst the company corrected the customer's bill dated 21 June 2017 by processing an adjustment in September 2017, this was: after the full bill amount of £3246.20 had been collected by direct debit in August 2017; after the customer had escalated his complaint to CCW on 4 September 2017 and; approximately 2 months after the customer had first disputed the bill. Therefore I find that the company's failure to rectify the bill promptly once the customer raised this with it on 10 July 2017, is evidence of it failing to provide its services to the customer to the standard to be reasonably expected by the average person.

5. I find that any leakage (non-return to sewer) allowance for the leak in September 2016 would need to be claimed against the bill relevant to the period of the leak. This is not the bill quoted in the customer's WATRS application. However, I note that in the customer's email to the CCW on 20 September 2017 the customer states that the claim for a refund of sewerage charges actually relates to the previous bill number 70422 ■ for £4064.83. This is not the bill quoted by the customer in their WATRS application which is bill number 8056 ■ and I have not been provided with a copy of bill number 70422 ■■■. However, it is evident that CCW subsequently raised the question of a refund to the customer's previous bill with the company on 28 September 2017. I find that in its response of 31 October 2017, the company reiterates that the customer's leakage allowance claim was declined due to the fact that the leak was fixed in September 2016 and their leakage claim form was not submitted until July 2017, some 10 months later.
6. The company states in the defence that it does challenge the wholesaler on a regular basis where it feels the customer has a case however in this case the claim form was submitted around 10 months after the leak was fixed and so substantially outside RST' leakage allowance policy. However, I find that the customer in their submissions clearly disputed the fairness of RST' policy to automatically charge for sewerage waste where it is known there has been a leak and a large percentage of the water has not returned to the sewer. The customer also complains that at the time of the leak, they were not made aware of the policy to claim for a leakage allowance within 6 weeks of the repair and further that the claim form is not easily

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

available on its website. I find that there is little evidence of the company raising these issues with RST on the customer's behalf. In its defence the company has shown that the leakage form that was available at the time of the leak in September 2016 does state the 6-week claim criteria. However, this does not show that the customer was made aware of the existence of the form or indeed RST's 6-week policy. Overall, I find that there is insufficient evidence of the company challenging RST about the points raised by the customer regarding the fairness of the charge and its decision to reject the customer's application for a leakage allowance in relation to the sewerage charge. As the customer's retailer, I would expect it to relay these issues on the customer's behalf. I am satisfied that the company's failure to do so constitutes evidence of it failing to provide its services to the customer to the standard reasonably expected.

7. The company has confirmed it made errors whilst handling the customer's complaint for which it paid the customer a total of £60.00 in GSS payments (for late replies and incorrectly sending the customer a claim form.) Whilst my above findings show additional errors by the company whilst dealing with the complaint, the only redress sought by the customer is for a refund of sewerage charges in the sum of £1231.59 which is not warranted by the company's errors. Moreover, as discussed above, a refund of £2369.06 (including sewerage charges) was applied to the customer's account in September 2017 in relation to the same bill number 80567 [REDACTED], therefore the remedy sought has already been met. Whilst it is evident that the customer also requires a (part) refund of sewerage charges raised on their earlier bill number 70422 [REDACTED], as explained above, this decision resides with the third party wholesaler, RST, therefore this matter falls outside the scope of WATRS and I am unable to make any direction to this effect.

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 21 February 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.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision.
-



A. Jennings-Mitchell, BA (Hons), DipLaw, PgDip (Legal Practice), MCI Arb
Adjudicator

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.