

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0660

Date of Decision: 27 February 2018

Complaint

The customer's claim is that whilst developing a former office block into residential and retail units the customer was incorrectly charged £7,978.44 regarding connection charges, water and sewage infrastructure charges. Furthermore, the company incorrectly disconnected one of three water supply lines to the property. The Customer is seeking repayment of £7,978.44 and the reconnection of the disconnected water supply line.

Defence

The company submits that the reversal of the connection and infrastructure charges is not appropriate as the charges were correctly calculated and the correct sum due from the customer is £8,391.48 of which £7,898.44 has been paid. The company further submits that the additional water supply was justifiably disconnected in line with section 75 of the Water Industry Act 1991 due to it being found likely that contamination of the water supply would occur if used. Furthermore, the company has provided a good level of service at all times throughout its dialogue with the customer and therefore the company is not liable for any damages in this respect.

Findings

I find that under section 3.5 of the Water Redress Scheme Rules I am unable to consider the aspects of the dispute concerning the £2,469.48 for connection costs as this falls under OFWAT's jurisdiction. With regard to the water and sewerage infrastructure charges of £5,922.00, I find the company has correctly charged the customer. Furthermore, I find no failings with regard to the disconnection of the 25mm water supply by the company. With regard to customer service, I am satisfied there have been no failings as the company has provided a good level of service at all times throughout its dialogue with the customer.

Outcome

The company does not need to take any further action.

- The customer must reply by 27 March 2018 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0660

Date of Decision: 27 February 2018

Party Details

Customer: ██████████

Company: ██████████

Case Outline

The customer's complaint is that:

- Whilst the customer was redeveloping an office block into residential units, the company incorrectly demanded the sum of £7,978.44 with regard to the connections costs, water and sewage infrastructure charges, otherwise the company would disconnect the water supply to the residential units due to cross contamination issues.
- Furthermore, the company incorrectly disconnected a 25mm water supply pipe, which was one of three existing water supply lines to the customer's office block.
- The customer is seeking repayment of the £7,978.44 and the reinstatement of the 25mm water supply that was disconnected by the company.

The company's response is that:

- The company's position is the customer has been correctly charged for connections costs and infrastructure charges with regard to the redevelopment of the former office block into residential units. Furthermore, the correct sum due was £8,391.48 of which £493.04 remains outstanding. The sum of £8,391.48 consists of £2,469.48 for connection costs and £5,922.00 for water and sewerage infrastructure charges.
- The company further submits the £2,469.48 for connection charges falls outside the scope of this decision. The determination of the connection costs falls under OFWAT's jurisdiction and OFWAT made a determination on 23 January 2015 that these costs of £2,469.48 were

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reasonably incurred. Therefore, the connection charge issue falls under rule 3.5 of the WATRS scheme which states that the scheme cannot be used to determine issues which falls under OFWAT's jurisdiction.

- With regard to water and sewerage infrastructure charges of £5,922.00, the company submits that these are correct as they are payable for each new property connected to the water supply and sewage system. The company calculated that, once credits were applied in line with information supplied by the customer, nine additional water supply and sewage infrastructure charges would be payable due to the additional loading on the water supply and sewage system.
- The company submits the additional 25mm water supply was disconnected in line with section 75 of the Water Industry Act 1991 as it was likely that contamination would occur if used. The company states it would consider reconnecting the supply once the customer served a connection notice and has made alterations to comply with section 47 of the Water Industry Act 1991.

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 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. To succeed in a claim against the company, the customer must prove on a balance of probabilities the company has failed to provide its services to the standard one would reasonably expect and that because of this failure the customer has suffered some loss or detriment. If no such failure or loss is proved, the company will not be liable.

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2. I must also remind the parties that adjudication is an evidence-based process where the burden of proof rests on the claimant, in this case the customer, to prove his case on the balance of the evidence.
1. The dispute centres around the original water supply pipes, the connection costs and the infrastructure charges which were incurred during the redevelopment of a former office building into residential and retail units by the customer. The company is required to meet the standards set out in the Water Industry Act 1991 and the Water Supply and Sewerage Services (Customer Service Standards) Regulations 2008. The combined effect of these is to place an obligation on the company that when there is a report of a damage or a leak, the company needs to investigate fully if the company's assets are to blame and if repairs are needed, make such repairs to prevent further issues.
2. Furthermore, the company also has certain obligations in respect of its customer services as set out in OFWAT Guaranteed Standards.
3. The company submits that OFWAT already determined on 15 January 2015 (see appendix 1 of company's defence) the connection costs of £2,649.48 are reasonable and under rule 3.5 of the Water Redress Scheme Rules the Scheme cannot be used to adjudicate disputes on any matter over which OFWAT has powers to determine an outcome.
4. The customer submits, within his reply to the defence, that OFWAT's decision of 15 January 2015 is rejected as it did not take into account the metal water pipe replacement program taking place on the road on which the customer's property is situated. However, I note that on 30 October 2012 the initial connection costs were reduced as the company would be updating the pipework on the street the customer's property is situated as part of the metal water pipe replacement program. Therefore, the sum charged did take into account the upgrades to the company's assets within the road on which the customer's property is situated.
5. In light of the above, I find that Rule 3.5 of the Water Redress Scheme does apply, as OFWAT has determined the connection costs of £2,649.48 charged were reasonable and I am therefore unable to consider this aspect of the customer's claim.
6. With regard to the water and sewerage infrastructure charges of £5,922.00, I am satisfied this aspect falls outside of OFWAT's jurisdiction and I am able to consider this aspect of the customer's claim.
7. From the evidence put forward by the customer, I understand there was originally three water supplies to the office block, one 40mm and two 25mm. The 40mm being the office block fire supply, one 25mm supply the domestic water feed with a meter and the final 25mm pipe

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- unused. According to the customer's claim form in 2012, he applied to the company to test the existing three water supply lines and install a water meter on the 40mm connection for the proposed residential and retail units.
8. Within an email to the customer dated 1 November 2012, the company refused to install the meter as it required that a 63mm pipe be installed to service the proposed units stated within the customer's application. Furthermore, the 40mm supply was previously the office block sprinkler system supply and the company would not install a meter on this line as it was not suitable for domestic use.
 9. In addition, the company stated within its message of 8 November 2012 it would not install a single meter for multiple residential and retail units. Therefore, new connections would have to be applied for each residential and retail unit. Between November 2012 and April 2013 various correspondence took place between the customer and the company, the end result being the company would not install a meter on the existing 40mm and each residential or retail unit within the redevelopment would be considered a new property and therefore require a new connection. The cost for these new connections would be £9,446.42. During this period the evidence shows the customer continued to use the 25mm metered supply and did not upgrade to the 63mm pipe as he considered the cost excessive.
 10. In 2013, the company started a programme to update all the metal pipes on the street where the customer's property is situated to plastic pipes. Within a letter to the customer dated 11 March 2013 the company states this upgrade would be at the company's cost up to the stopcock and as a result this would reduce the customer's quoted connection and infrastructure charges. As shown in the Final Account letter sent to the customer on 5 August 2014, due to amendments to the customer's requirements the connection and infrastructure charges were further reduced to £7,898.44 in April 2013. As explained within the company's defence, the figure of £7,898.44 contained nine water and nine sewage infrastructure charges totalling £5,922.00. The balance of the sum was the connection charges dealt with in paragraph three above.
 11. The customer states the company insisted the customer pay £7,898.44 so the new connections could be made, and the existing pipes upgraded to plastic, otherwise the existing 40mm and 25mm water connection would have to be disconnected due to possible water contamination by the customer's pipework. I am satisfied the evidence shows the company's position with regard

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to the possible water contamination by the customer's existing pipework is correct and therefore new connections were indeed required. I understand from the correspondence that £7,898.44 was paid by the customer in early 2013 and shortly afterwards the existing pipes were upgraded to plastic and in the case of the 40mm pipe increased to a 63mm plastic pipe.

12. Water and sewerage infrastructure charges are included in the company's charges scheme (see Appendix 2 and 3 of company's defence) under Section 143 of the Water Industry Act 1991 and are payable for each new premise connected to the water supply system and sewerage system. I note the customer's comments to the defence that as the property, when it was an office, already had a water supply it was not the first time a water supply had been connected. However, in my view, the infrastructure charges apply to each new residential or retail unit. The proposed units had not existed when it was originally an office building and therefore it is correct to say each connection was in fact the first connection for each new unit.
13. The company has provisions in their charges scheme (see Appendix 2 and 3 of the company's defence) for credits to be applied against infrastructure charges where premises are redeveloped or converted to reflect the loading the previous premises placed on the respective systems. From the evidence put forward, I am satisfied these credits were correctly applied and with regard to the customer's property - it was deemed that nine water and nine sewage infrastructure charges would be payable.
14. The cost of these water and sewage infrastructure charges were £5,922.00. Therefore, I find the infrastructure charges are applicable for the proposed new residential and retail units. Furthermore, I am satisfied they have been appropriately applied. Accordingly, the customer's claim for redress regarding this aspect of the claim fails.
15. With regard to the disconnection of the 25mm pipe, the evidence shows the company upgraded the 40mm pipe to a 63mm plastic pipe, changed the existing metered 25mm pipe to plastic and on 18 July 2014 disconnected the other unused 25mm pipe. The evidence also shows on 28 May 2014 an inspection was carried out by the company's Network Regulations team. During this inspection, unauthorised supplies were identified, and redundant supplies were also discovered at the customer's property. The customer was provided with an Enforcement Notice on 11 June 2014 (see Appendix 4 of the company's defence documents) asking the customer to make the necessary adjustments in order to comply with the Water Supply (Water Fittings) Regulations 1999.

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16. The Enforcement Notice shows the 25mm pipe was connected to a redundant supply on the company's network and would be disconnected. Furthermore, the company, in its defence, states if the 25mm pipe was left and used it was likely contamination would occur and it was the incorrect size with regard to the proposed units it was to service (see letter to customer dated 12 April 2017). A further explanation by the company as to why the 25mm pipe was being disconnected was also contained in the email to the customer dated 18 July 2014 (see Appendix 5 of the company's defence documents).
17. Section 75 of the Water Industry Act 1991 authorises the company to disconnect a supply pipe connected to a water main where water supplied by the company through the supply pipe is likely to be contaminated before it is used.
18. I note, in the company's submissions, it would consider the customer's desire to use the redundant 25mm supply on the basis the customer make a new application for an additional new connection and the connection was subject to the customer meeting conditions imposed under Section 47 of the Water Industry Act 1991 with respect to water quality, plumbing and other requirements. In addition, any cost associated with the new connection and an individual meter would still be payable by the customer. It is also noted that the evidence shows (see email to customer dated 18 July 2014) the 63mm pipe would provide enough water pressure to the new connections requested without the 25mm supply pipe.
19. Bearing in mind the above, I find it was reasonable for the company to disconnect the 25mm supply pipe and require, if the customer still wished to reconnect this supply, then it must meet the conditions imposed under Section 47 of the Water Industry Act 1991. Accordingly, the customer's redress that the company reconnect the 25mm supply pipe fails.
20. The company has certain obligations in respect of its customer services. After careful analysis of all the evidence provided, I am satisfied that by the end of the company's dialogue with the customer, the company had adequately explained the reasons behind the infrastructure charges and the reason why the 25mm supply pipe was disconnected.
21. I note the customer comments the company's staff was rude to one of the customer's workers whilst surveying the customer property. However, the customer has not provided any further evidence except his email, included with the CCWater documents, stating that this occurred, so I

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find I am unable to determine whether or not the company failed to provide its services to the standard to be reasonably expected in this regard.

22. In light of the above, I find the customer has not proven the company failed to provide its services to the standard to be reasonably expected with regards to the infrastructure charges and the disconnection of the 25mm supply pipe, nor has the customer proved the company failed to provide services to the standard to be reasonably expected when investigating these issues. Furthermore, I find there have been no failings with regard to customer service as the company had adequately explained the reasons behind the infrastructure charges and the reason why the 25mm supply pipe was disconnected.

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 27 March 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 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.



**Mark Ledger FCI Arb
Adjudicator**

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