

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0667

Date of Decision: 26 February 2018

Complaint

The customer states that the company's standing charges constitute an unreasonably high proportion of his water bill. He seeks that the company lower its standing charges.

Defence

The company states that its charging scheme is reviewed and scrutinized by Ofwat, to ensure value for money and fairness to customers. It has reviewed alternative tariffs for the customer, but his current tariff is the cheapest available to him.

Findings

The company has charged the customer correctly in accordance with its charging scheme, as approved by Ofwat.

Outcome

The company does not need to take any further action.

The customer must reply by 26 March 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.

ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0667

Date of Decision: 26 February 2018

Party Details

Customer: _____

Company: _____

Case Outline

The customer's complaint is that:

- He has reviewed his bills for the last few years and has noted that standing charges can account for up to 70% of the total bill.
- The company has been unable to justify to his satisfaction the appropriateness of the size of its standing charges.
- The company's current use of high standing charges encourages the wasteful use of water.
- He seeks for the company to lower its standing charges and review its pricing strategy.

The company's response is that:

- In fixing its charges it must conform to price controls determined by the Water Services Regulation Authority (Ofwat).
- Its charges are reviewed and published annually, including a review for cost-effectiveness.
- Standing charges reflect the "fixed" costs the company incurs for each customer, regardless of the amount of water they use.
- The high proportion of the customer's bill represented by standing charges results from his low water usage.

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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. The customer has raised a complaint regarding the effect on his water bills of the company's pricing structure, and in particular that "standing charges" constitute a large proportion of his bill.
2. The company has, however, explained the rationale for the use of "standing charges", and how their use is intended to result in what is ultimately a fairer spreading of the costs of supplying water. In effect, "standing charges" reflect the costs the company incurs in making water available to the customer and to all other customers, which is a benefit that all customers receive equally. In turn, metered charges reflect the costs the company incurs supplying water to its customers in accordance with their individual needs.
3. The customer has argued that the current pricing framework used by the company fails to balance these considerations properly, and provides undesirable incentives. However, as noted by the company, its pricing scheme is closely regulated by Ofwat, and so arguments of this nature must be directed to Ofwat, and cannot form the basis of a claim under the Water Redress Scheme Rules.

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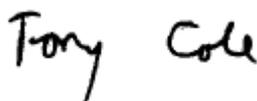
4. An adjudicator operating under the Water Redress Scheme may only consider whether the company has charged the customer in accordance with its charges scheme, as approved by Ofwat, and not whether the charging scheme itself is appropriate.
5. No evidence has been produced that would support a conclusion that the company has incorrectly charged the customer.
6. Consequently, the customer's complaint 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 26 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 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.



Tony Cole FCI Arb

Adjudicator

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