

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0739

Date of Decision: 16 October 2018

#### Complaint

The customer claims that a bill received in 2016 for £1,553.56, based on metered usage, is not an accurate reflection of usage. The customer is unhappy that their claim for a leak allowance was declined and they do not believe adequate investigations have been carried out to identify the cause of the high metered charges. The customer submits they have been overcharged by approximately £1,000.00 and seeks a refund from the company on this basis.

#### Defence

The company asserts that the claim regarding the leak allowance concerns an operational issue and that responsibility for this lies with the wholesaler, [ ]('RST'). However, it accepts there have been customer service failings on its part but feels that credits it has applied totalling £50.00 and a 5% goodwill discount of the disputed charges, sufficiently address these. It has explained to the customer that their claim for a leakage allowance was declined by the wholesaler as no leak was found, and the charges reflect higher usage as a result of a faulty cistern found on the customer's side. The company asserts that the customer's claim was also declined because the customer was provided with a leak allowance in 2015 and any further allowance would be contrary to the wholesaler's policy to only grant one leak allowance per the lifetime of an account. It has not offered any settlement amount.

#### Findings

As the customer's retailer, the company is not responsible for investigating the cause of higher than expected metered usage or the rejection of the leak allowance, as such falls to the wholesaler. However, the company is responsible for handling customer service for supply and billing issues and complaints, and the company accepts there were some shortfalls in its service provided when dealing with the customer's requests for a leak allowance. In addition to these, I found that the company did not adequately escalate the customer's requests for the wholesaler to return to the property after the overflow issue had been fixed to carry out further checks of the meter and supply in order to identify the cause of the higher than expected usage. This is evidence of the company failing to provide its services to a reasonably expected standard.

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**Outcome**

The company shall pay the customer an additional compensation amount of £50.00 and, in its capacity as the customer's retailer, pursue the wholesaler, RST to further investigate the disputed high usage shown on the meter.

**The customer must reply by 13 November 2018 to accept or reject this decision.**

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## ADJUDICATOR'S DECISION

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Date of Decision: 16 October 2018

### Party Details

Customer: [ ]

Company: [ ]

### Case Outline

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

- They are [ ], a charity based at [ ] ('the Property'). In 2016 they received a (metered) bill of £1,553.56 for water usage during the timeframe 25 February 2016 to 24 August 2016. They disputed this bill as the Property building is very quiet, with only two people working there on a daily basis. Additionally, on a Sunday there are usually between five and twenty members.
- A RST engineer attended and checked the building but could not find any leak. A second engineer attended once the internal stop tap had been located and advised there may be an issue with the cistern overflow. They also arranged for a plumber to check the site, as recommended by the engineer, but no leak was found. The plumber found that there was overflow from the toilet and this was immediately rectified.
- They asked the company to send out a third engineer to sanity check the Property building but it never did.
- They applied for burst/leak allowance; however, it was rejected by the company.
- This spike in billing happened at the same time the previous year but it had never happened before. Their activities have not changed in the two years and they provided evidence of people coming in and out of the Property building during this period.
- The customer asserts they have been overcharged by £1,000.00 and as a charity they would like a refund.
- The customer seeks an allowance for the bill paid in the amount of £1,553.56.

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

- Ms A called RST (who were their water company at the time), on behalf of the customer, on 6 October 2016 to advise that she was concerned about an increase in water usage. An RST agent advised to complete a self-leak test; however, she requested for a supply check to be carried out.
- A visit was conducted on 11 October 2016 but as the internal stop tap could not be located, the engineer advised the customer that they would need to locate this and call back to make a further appointment. A second appointment was arranged for 3 November 2016. The site visit confirmed there was a faulty cistern overflow and no other leak was located.
- On 8 November 2016, a leak allowance form was sent to the customer. The company asserts that the claim regarding the leak allowance concerns an operational issue and that responsibility for this lies with the wholesaler, RST.
- The wholesaler's policy is that a customer can only claim one leak allowance in the lifetime of the account. A leak allowance of £619.21 had been previously applied to the customer's account on 20 August 2015 for a leak which occurred between August 2014 and February 2015.
- The customer has only been invoiced for water that has passed through their meter.
- Therefore, as the balance has been generated from actual reads taken from the meter, the balance is correct.
- It denies 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.

In order for the customer's claim against the company to succeed, the evidence available to the adjudicator must show on a balance of probabilities that the company has failed to provide its services to the standard one would reasonably expect and that as a result of this failure the customer has suffered some loss or detriment. If no such failure or loss is shown, the company will not be liable.

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.

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## How was this decision reached?

1. The dispute concerns a bill received by the customer in 2016 for metered water usage in the amount £1,553.56 for the timeframe 25 February 2016 to 24 August 2016. I acknowledge that the customer is a 'non-household' customer (a charity) and further I remind the parties that the company is the retailer and that RST is the wholesaler (and water supplier) for the region in which the Property is located. I note this division occurred as a result of government changes, which opened up the water market and came into effect on 1 April 2017. I find that the company and RST are therefore two distinct and separate entities. I remind the parties that a WATRS application can only be brought against one party. As the customer has a commercial water account, their 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.
2. The customer has submitted a copy of the disputed bill dated 25 August 2016 and her correspondence exchanged with the company (and RST) since she raised the matter, in support of her case. The company has supplied a 'Timeline' of events relating to the customer's case and I also acknowledge receipt of CCW documents which I find contain evidence supplied by the customer to show use of the Property building throughout 2016.
3. Having reviewed the evidence, I find that the customer first disputed the bill on 6 October 2016 and a RST engineer attended the Property building to investigate. At the first appointment on 11 October 2016, the engineer could not locate the internal stop tap (IST) and so the customer was asked to find out its location before arranging a further appointment. I can see this second appointment took place on 3 November 2016 where movement on the meter was detected when there was no usage in the Property, yet no leak was detected, although the engineer suspected a faulty cistern overflow. I find that the company has included the wholesaler job note of 3 November 2016 that states that a faulty cistern overflow was found. As the issue was perceived to be on the customer's private assets, the customer was advised to arrange for a private plumber to fix the issue. The customer advised the company on 5 December 2016 that a slow leak had been confirmed by their plumber. I am satisfied that the customer reported to RST (who were their water company at the time) that the issue had been fixed on 14 December 2016. The customer was provided with a leak form, which was returned to the company; however, the claim for an allowance was rejected. This was on the basis that no leak had been found as well as due to the customer having previously received a leak allowance of £619.21 on 20 August 2015. The

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company submits that any further allowance would be contrary to the wholesaler's policy of allowing only one claim for a leak allowance per non-household customer during the lifetime of the account.

4. Therefore, it is clear that the dispute stems from RST's investigation of the leak and the rejection of the leak allowance, as well as the failure to send out an engineer to sanity check the Property building after the customer had the toilet overflow issue fixed. I find that any operational issues are the responsibility of RST and therefore leaks and deciding leakage allowances would fall to RST. However, as the customer's retailer, the company is responsible for handling customer service issues, billing and complaints and as such I will proceed 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 queries and complaint in regards to the disputed issues.
5. It is clear that there were service failures by the company when dealing with the customer's claim for a leak allowance: although the customer had already submitted a completed form to RST in December 2016, the company requested that the customer fill out a further form in April 2017 (the Water Plus form as by that point it had become the customer's retailer). I acknowledge the delay in processing the form up to April 2017; however, as responsibility for this lies with the wholesaler, I am unable to make any finding on this issue. It appears from the information in the Timeline that the customer did not receive the company's request for their completion of a further form in April 2017. Yet, I find that when the customer e-mailed the company on 24 August 2017 querying why they had not been provided with a leak allowance, the evidence shows that the company did not respond to the customer's query or re-send the form, until 5 October 2017, after the customer had called the company twice in September 2017 and again on 5 October 2017, chasing the matter. This is evidence of a service shortfall by the company.
6. In its response to the customer dated 10 November 2017, the company acknowledged that it had requested the customer to complete a second claim form in error and advised that it had added a credit of £50.00 to their account. It advised this amount was made up of £25.00 for asking the customer to complete a second claim form when they need not have to and £25.00 for the delay in investigating the claim for an allowance. I can also see that, in its response, the company explained the reasons for the wholesaler declining the customer's leak allowance, which were, as mentioned above, due to no leak identified at the Property and the wholesaler's policy to award

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only one allowance in the lifetime of an account. The company has submitted the RST policy as evidence and I am satisfied that its stated reason, is in accordance with the wholesaler's policy. Further, based on the evidence in the Timeline of events, prior to the company informing the customer that the claim had been rejected, I am satisfied that the company did challenge the wholesaler about its rejection of the claim on the customer's behalf. However, as RST re-confirmed its rejection of the allowance the company had little choice but to relay this outcome to the customer. I acknowledge that, nevertheless, the company advised in its response of 10 November 2018 that it had applied a "one off 5% discount" to the customer's account for the charges incurred between 25 February 2016 and 1 April 2017. I am satisfied that the credits and goodwill discount supplied in acknowledgement of its errors set out above, was reasonable in the circumstances.

7. In regards to the customer's complaint regarding the investigation of the leak in 2016, the company has included contemporaneous notes dating back to the timeframe of the dispute and I accept that it was agreed in December 2016 that an engineer would return to check the meter and supply; however, it is clear that no engineer was sent. I find that the customer was still chasing for this request to be actioned once the company had become their retailer as they believed the cause of the high water bill had not been resolved. I can see that the company chased the wholesaler for it to carry out a further check in February 2017 and again in March 2017, but it told the customer in April 2017 that as the problem had been fixed there was no need for a further engineer to attend. On 5 October 2017, the customer reiterated that they felt the leak was due to an issue on the RST side. However, there is no evidence of the company, in its role as retailer, raising this issue with the wholesaler again or making any further request for RST to check the Property building. The customer has reiterated in the Application that they do not believe the cause of the high bill in 2016, which happened previously in 2015, has been adequately resolved and the customer disputes that the overflow issue found with the toilet in 2016 would account for the higher usage recorded on the meter. I note that in their response to the company's defence, the customer also claims that the slow leak was not due to a faulty toilet cistern but due to a toilet block cleaner; however, I have not been supplied with any evidence to show this. Furthermore, the customer has highlighted the evidence they supplied to CCW, which they feel indicates very low water usage at the Property building throughout 2016.
8. As mentioned above, the company is not responsible for finding the cause of the higher than expected usage recorded on the meter during 2015 and 2016. Nonetheless, in light of the evidence showing that the customer has continued to dispute the usage shown on the meter, I

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am not satisfied the company has taken sufficient action in its capacity of the customer's retailer to ensure RST return to the Property building to carry out further checks in order to eliminate the possibility of a leak or any issue with the meter or supply. I find that 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.

9. In light of my above findings, there were service shortfalls by the company that resulted in the customer having to complete two leak allowance forms and a seven-month delay before being told the claim for a leak allowance had been rejected. Whilst I am satisfied that the company provided reasonable compensation for these errors, the company did not adequately escalate the customer's requests for a further check of the meter and supply at the Property. Therefore, I find it fair for the company to pay the customer a measure of compensation for this additional proven error. However, I am unable to consider the customer's request for compensation of £1,000.00 (based on a refund of the disputed charges) because, as explained above, leak allowances are decided by the wholesaler, which is outside of the remit of this adjudication. In the circumstances, I find that the company shall pay the customer further compensation of £50.00 for the stress and inconvenience caused by its errors. Furthermore, in light of my above finding that the customer's complaint regarding metered usage has not been sufficiently investigated, I find it appropriate to direct that the company, in its capacity of the customer's retailer, urge the wholesaler to take appropriate action to continue investigating the cause of the disputed high usage recorded on the customer's meter.

#### **Outcome**

The company shall pay the customer an additional compensation amount of £50.00 and, in its capacity as the customer's retailer, pursue the wholesaler RST to further investigate the disputed high usage shown on the meter.

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## What happens next?

- This adjudication decision is final and cannot be appealed or amended.
  - The customer must reply by 13 November 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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