

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0749

Date of Decision: 22 October 2018

#### Complaint

The customer is challenging a high bill in the sum of £823.35. He acknowledges that there was a small leak from a faulty kitchen tap. However, he states that the leak lasted approximately 10 minutes and cannot be responsible for the large spike in consumption recorded. He says readings were taken from the wrong meter and points to a discrepancy between the reference number of the meter referred to by the company and that on the invoice. In addition, following a meter exchange he requested that the old meter was checked to see if it was working properly, he says the company never responded to this request. He states that the company wrongly told him several times that he was eligible for a leak allowance from the wholesaler. The company has also incorrectly claimed that no payment has been made to the account since 10 October 2016, charged him a £65.00 legal collection fee and issued legal proceedings against him. The company also delayed in responding to his complaint. The customer requests a credit note for the £823.35 bill and £65.00 legal collection fee. The customer also requests compensation in the sum of £1,650.00 for stress and inconvenience.

#### Defence

The company failed to respond to WATRS, and did not submit a Defence. However, the company's correspondence to the customer and the Consumer Council for Water (CCW) formed a part of the case papers. The documents showed that the company is the retailer and [ ] (RST) is the wholesaler. The £823.35 bill is for the period 19 August 2016 to 22 March 2017. The customer's Average Daily Consumption (ADC) decreased following the leak but the wholesaler determined that the meter should be exchanged for a new meter. Since the meter was exchanged the customer's ADC has continued at 0.1034 m3 which is in line with the consumption recorded before the meter exchange. As usage had dropped back to a normal rate by the time the meter was exchanged, it was satisfied that the leak at the premises was responsible for the high consumption. The company acknowledged that it incorrectly informed the customer that he was eligible for a leakage allowance. It also acknowledged that the meter serial number was incorrectly recorded but stated that this was an administrative error and that all meter readings taken were correct. It has not received payments for the account since 10 October 2016. It therefore billed the customer a £65.00 collection charge for having to refer his account to a third party collection agency. In light of the incorrect information given in relation to the wholesaler, it offered the customer a 50% allowance for the period of high consumption.

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## Findings

The company and RST are separate entities. The evidence shows that RST, and not the company, is responsible for investigating high consumption claims and granting any leakage allowances. The company gave the customer incorrect information about the wholesaler's leakage allowance policy. The company's offer of a 50% allowance for the period of high consumption in the sum of £388.95 as compensation is fair and reasonable in the circumstance for the stress and inconvenience caused by this misinformation. The company also stated the wrong meter serial number on the customer's bills; failed to respond to the customer's request that old meter be checked after it was exchanged; and delayed in dealing with the customer's complaint. I therefore also find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in these regards. The customer has not submitted any evidence to support his submissions that he paid his August 2017 and February 2018 bills on time, and that company incorrectly charged him for a legal collection fee. Therefore this aspect of the customer's claim does not succeed.

## Outcome

The company needs to take the following further action:

I direct that the company apply a credit in the sum of £388.95 to the customer's account. I also direct that the company pay the customer the sum of £300.00 in compensation.

The customer must reply by 19 November 2018 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0749

Date of Decision: 22 October 2018

## Party Details

Customer: [ ]

Company: [ ]

## Case Outline

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

- The dispute concerns a high bill in the sum of £823.35 received in February 2017.
- He acknowledges that there was a small leak from a faulty kitchen tap. However, the leak lasted approximately 10 minutes and could not have been responsible for the large spike in consumption recorded.
- He pointed out to the company that readings were taken from the wrong meter as the reference number of the meter the company referred to was different to the reference of the meter stated on the invoice. The company told him that this was a clerical error.
- As there was water residue in the old meter, he also requested that the company check the old meter after it was exchanged to see if it was working properly, but the company never responded to his request and a report was never received.
- The company also incorrectly confirmed several times that he was eligible for a leak allowance from the wholesaler.
- The company has also claimed that no payment has been made to the account since 10 October 2016. The company charged him a £65.00 legal collection fee and issued legal proceedings against him. This is incorrect as with the exception of the contested amount all monies have been paid on time.
- The company delayed in responding to his complaint and he had to chase by email and telephone.
- The customer requests a credit note for the £823.35 bill and £65.00 legal collection fee. The customer also requests compensation in the sum of £1,650.00 for stress and inconvenience.

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

- ***Adjudicator's note: Despite a number of requests from WATRS, the company did not submit a Defence. However, the company's correspondence to the customer and the Consumer Council for Water (CCW) show that:***
- The company is the retailer and [ ] (RST) is the wholesaler.
- The £823.35 bill is for the period 19 August 2016 to 22 March 2017.
- The company became aware of an increase in the customer's consumption on 9 February 2017, following a meter reading. It wrote to the customer on 10 February 2017 to confirm the increase in water consumption. This prompted the customer to make contact on 16 February 2017, and the customer advised of an internal leak on a tap that had occurred in November 2016.
- The company requested that the wholesaler attend and carry out checks to investigate the increase in consumption.
- The customer's Average Daily Consumption (ADC) had decreased following the leak but the wholesaler determined that the meter should be exchanged for a new meter.
- The new meter was installed on 22 March 2017. Since the meter was exchanged the customer's ADC has continued at 0.1034 m3 which is in line with the consumption recorded before the meter exchange. As usage had dropped back to a normal rate by the time the meter was exchanged in March 2017, it was satisfied that the leak at the premises was responsible for the high consumption.
- The company acknowledged that it provided incorrect information about the wholesaler. It incorrectly advised that an application to the wholesaler had been sent for consideration for a leak allowance. However, the wholesaler will only consider a leak allowance for customers who have a leak on a private supply pipe to the property if it is repaired within 14 days. The company apologised for this error.
- The company also apologised for an admin error which meant that the meter serial number was incorrectly recorded but states that all meter readings taken were correct.
- In a letter to the customer during the CCW process, the company informed the customer that even though the bill for August 2016 – February 2017 was in dispute, it has not received payments for the account since 10 October 2016. It therefore billed the customer a £65.00 collection charge for having to refer his account to a third party collection agency.
- In light of the incorrect information given in relation to the wholesaler, it offered the customer a 50% allowance for the period of high consumption in the sum of £388.95.

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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.

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.

## How was this decision reached?

### **RST**

1. The company and RST are separate entities. The company is the retailer and RST is the wholesaler. I must remind the parties that a WATRS application can only be brought against one party. This case has been brought against, and is defended by, the company. Therefore, for the purposes of this decision, my remit is to determine the issues between the customer and the company. It falls outside of my remit to consider any claims or complaints against RST.

### **High consumption bill**

2. The evidence shows that RST, and not the company, is responsible for investigating high consumption claims and granting any leakage allowances.
3. The company's duty is to contact the wholesaler and raise any queries on the customer's behalf.

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4. In light of the correspondence submitted in evidence, I accept that the company contacted RST on the customer's behalf and requested that RST investigate the high consumption recorded; that RST undertook investigations on 27 February 2017 and 19 July 2017; and in view of the results of its investigations that RST deemed that the cause of the high consumption was the internal leak.
5. I acknowledge the customer's claim that the leak could not have been responsible for the high consumption. However, as above, RST was responsible for investigating and determining the cause of the high consumption. Any claims or complaints against RST cannot be considered under this adjudication. I find no failings on the company's part in this regard.

### **Leakage allowance**

6. The company provided a link to the wholesaler's leakage allowance policy in correspondence to the customer. Under the wholesaler's policy, the wholesaler will only consider an allowance for customers who have a leak on the private supply pipe to the property if it is repaired within 14 days.
7. The customer submits that the leak was from a faulty kitchen tap. The leak was therefore an internal leak, and not one on the private supply pipe to the property. The company admits that it advised the customer that an application had been sent to the wholesaler for consideration of a leak allowance, but this was not in fact the case as the customer was not eligible for an allowance under the wholesaler's policy. The company acknowledges that it provided incorrect information to the customer. I therefore find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

### ***Incorrect meter reference***

8. The company acknowledged that due to an administrative error the old meter serial number was incorrectly recorded on the customer's bills. The company's submissions indicate that this was an error on the company's part. I therefore find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.
9. For the avoidance of doubt, I am satisfied that the company addressed any query that the wrong meter had been read. The company stated that the old serial number was not attached to a

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premises. The company also explained that the wholesaler technician who attended the property confirmed that the old meter fed the premises and that following RST's investigations all the readings align; with consumption recorded after the meter exchange in line with that recorded before. The company states that all meter readings were correct. As discussed above, RST was responsible for investigating and determining the cause of the high consumption. I note the customer's complaint about the conclusions of the wholesaler's investigations. However, again, any complaints against RST cannot be considered under this adjudication. I find no failings on the company's part in this regard.

***Request that old meter be checked after it was exchanged***

10. In light of the evidence submitted, I am inclined to accept, on a balance of probabilities, the customer's submissions that he requested that the old meter be checked after it was exchanged. In the absence of any evidence to show that the company responded to this request and escalated it to the wholesaler. I am not satisfied that the company provided its services to the customer to the standard to be reasonably expected by the average person in this regard.

***Delays dealing with the complaint***

11. Similarly, in respect of the customer's submissions that the company delayed in dealing with the complaint, the correspondence indicates that the customer had to contact the company to chase for updates during the parties' contact. The evidence also indicates that the company did not follow its own complaints procedure before referring the customer to CCW, and stage two of its complaints procedure had to be then undertaken after CCW's involvement. I am therefore also inclined to accept, on a balance of probabilities, the customer's submissions that the company delayed in dealing with his complaint.

***£65.00 legal collection fee***

12. The customer submits that the company has incorrectly charged him a £65.00 legal collection fee and issued legal proceedings against him as it claims that no payment has been made to the account since 10 October 2016. In a letter to the customer during the CCW process, the company stated that the customer's August 2017 and February 2018 bills which were not in dispute were outstanding. I note the customer's submissions that this is incorrect as with the exception of the contested amount all monies have been paid on time. However, the customer

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has not submitted any evidence to support his submissions. Evidence which would have been useful here are bank statements or payment slips. I remind the parties that adjudication is an evidence-based process. In the absence of any evidence showing that the customer paid his August 2017 and February 2018 bills on time, the customer has not shown that the company has incorrectly charged him for a legal collection fee. Consequently, I find no failing on the company's part in this regard.

### **Redress**

13. The customer requests a credit note for the £823.35 and £65.00 legal collection fee. The customer also requests compensation in the sum of £1,650.00 for stress and inconvenience.
14. In respect of the customer's request for a credit note for the £65.00 legal collection fee, as discussed above, the customer has not shown that the company has incorrectly charged him for a legal collection fee. Consequently, this aspect of the customer's claim is unable to succeed.
15. In respect of the customer's request for a credit note for the £823.35 bill, the evidence shows that the company acknowledged that it has incorrectly advised that an application for a leak allowance had been sent to the wholesaler. The company offered the customer a 50% allowance for the period of high consumption in the sum of £388.95. The company stated that this was on the basis of the customer's current ADC of 0.11m<sup>3</sup> (19m<sup>3</sup> used between 14 August 2017 and 2 February 2018) applied to the 175 day period. Having carefully considered the matter, I am inclined to find that this is fair and reasonable in the circumstance for the stress and inconvenience caused by this error. I note the customer's claim for the waiver of the the £823.35 bill. However, there is no evidence to show that the customer did not use any water at all during the period. The customer also acknowledges that there was a leak at his premises, albeit he asserts that it was fixed on the same day it was identified. As discussed above, any complaints about RST's conclusions about the cause of the high consumption cannot be considered under this adjudication. Consequently, I direct that the company apply a credit in the sum of £388.95 to the customer's account.
16. The customer also requests compensation. In view of my findings that the company: stated the wrong meter serial number on the customer's bills; failed to respond to the customer's request that old meter be checked after it was exchanged; and delayed in dealing with the customer's complaint, I am satisfied that the customer is also entitled to a measure of compensation for the

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stress and inconvenience caused for these errors. However, I find that the amount claimed by the customer is disproportionate to the failing shown. Having carefully considered the evidence provided, I consider the additional sum of £300.00 to be a fair and reasonable level of compensation. No evidence has been submitted to this adjudication to support a larger sum of compensation. I therefore direct that the company pay the customer the sum of £300.00 in compensation.

#### **Outcome**

The company needs to take the following further action(s):

I direct that the company apply a credit in the sum of £388.95 to the customer's account. I also direct that the company pay the customer the sum of £300.00 in compensation.

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

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 19 November 2018 to accept or reject this decision.
- If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date on which WATRS notifies the company that you have accepted my decision. If the company does not do what I have directed within this time limit, you should let WATRS know.
- If you choose to reject this decision, WATRS will close the case and the company will not have to do what I have directed.
- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.

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**U Obi LLB (Hons) MCI Arb**  
**Adjudicator**

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**[www.WATRS.org](http://www.WATRS.org) | [info@watsr.org](mailto:info@watsr.org)**