

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0754

Date of Decision: 19 September 2018

Complaint

Following bills showing water consumption that was higher than the customer expected from 1994, when a meter was installed, and investigation by the customer under the car park at his property (an athletics club) in 2016 and 2017, a water leak was found close to the meter. The company has agreed to give a backdated leak allowance but not to backdate this to 1994. The customer claims an allowance of £10,126.00 representing half of the cost of the probable excess since 1994.

Defence

The customer complained of a leak in 2016 following a routine replacement of the water meter and a leak was discovered. The customer is primarily liable for the water measured by the meter and the wholesaler had no knowledge of a possible leak until 2016. The company has, as a goodwill gesture, applied a leak allowance backdated to April 2016, when the meter had been replaced for routine reasons. It is not obliged to provide any further allowance.

Findings

I find that the customer has not proved that the (now) wholesaler was responsible for giving rise to the leak in 1994 and it had no knowledge of the leak until late 2016. Thereafter the customer repaired the leak and the company has given an allowance for a period that exceeds its published leak allowance period. I am therefore satisfied that the company has not failed to supply its services to the standard that would reasonably be expected.

Outcome

The company does not need to take any further action.

- **The customer must reply by 17 October 2018 to accept or reject this decision.**

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0754

Date of Decision: 19 September 2018

Party Details

Customer: []

Company: []

Case Outline

The customer's complaint is that:

- Following an investigation into water bills showing high consumption and the discovery of a leak in July 2017, the company has given an insufficient leak allowance.
- The customer went to considerable effort and cost to excavate the car park on its land, an athletics club, to chase the route of the pipe and investigate the source of the leak.
- The customer says that this was found within 25 mm of the water meter, wrapped in tape. The incoming pipe at the point of the leak was in front of formerly used, outside lavatories. When these had previously been removed, the sewer pipes had been left in place so that the leak was undetected because the leaked water was taken away. No-one would subsequently have disturbed the pipe after the meter was installed in 1994.
- Since the leak was repaired, consumption has reduced considerably. This has highlighted the disparity in the charges prior to the discovery and after the repair. The company has, however, only given a leak allowance of six months, which is the allowance made by the wholesaler.
- The customer claims that from 1994, the athletics club has overpaid a total of £27,745.00.
- The customer seeks a contribution of half the costs incurred, less the amount already refunded of £2,822.00. The customer calculates this as a further sum of £10,126.00 to be repaid.

The company's response is that:

- The customer has been reasonably compensated for a leak discovered at the property in 2017.

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- The company explains that the wholesaler, as water and sewerage undertaker for the area, is entitled by statute to charge customers for its services. Its Charges Schemes are approved by the regulator (OFWAT) before being implemented.
- Additionally, there are terms and conditions of having a metered water supply. These state that a customer will be charged for all water, whether used by the customer or run to waste. The same terms and conditions permit the wholesaler to make a discretionary leak allowance where water has been lost through leakage. The leakage allowance is capped at six months.
- In this case, a meter exchange took place at the customer's property as part of an upgrade scheme, the previous meter having been in the ground since 1992. In July 2017, a leak was discovered on the private supply between the meter and the property. The leak was repaired by the customer. The tape found on the pipe is not of a type used by the company but is used by gas contractors.
- The customer has been awarded a fifteen month discretionary leakage allowance for the period April 2016 to July 2017, when the leak was discovered and repaired.

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 complains that since 1994 there has been an undetected leak at the property of his athletic club, of which he is an officer. He says that the charges between 1994 and the

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present have therefore been too high and, accordingly, he (on behalf of the club) is entitled now to a further refund of payments made for the provision of water.

2. In relation to the undetected leak, I find that the customer has shown that it is more likely than not that there was a leak at the property during the period in question. The customer has calculated the difference between the cost of water after the leak repair and before the repair. This comparison shows that the customer may have paid significantly more for water before the repair than is now the case and this suggests that the use of water was greater. As no other reason is put forward for the change in the amount of consumption than the presence of a leak, and as a leak was ultimately discovered in 2017, I find that it is probable that there was a leak at the property during some or all of the time since 1994.
3. After the leak was repaired in 2017, the company in November 2017 agreed to provide a leak allowance of £1,100.00 in accordance with the wholesaler's leak allowance policy. Following intervention by the Consumer Council for Water (CCWater), the company agreed in January 2018 to increase the allowance to £2,822.33. This was conceded on the basis that, as there had been an upgrade of the water meter in April 2016, it was possible that the leak had not been spotted at that time by the technicians responsible for the exchange of the meter.

Installation in 1994

4. The papers indicate that, although the company has acquired responsibility for certain aspects of the supply of water only on 1 April 2017, the company and the wholesaler have agreed that the company is to be treated as liable for any matters for which the wholesaler would have been liable.
5. The customer, in support of his claim against the company that the allowance should be further extended, says that the supply pipe is thought to have been undisturbed since installation of the meter by the (now) wholesaler in 1994. He says also that when the repair was carried out, the pipe was found to have been taped. He raises the possibility, therefore, that there was a faulty installation in 1994.
6. I find, however, that there is insufficient evidence to enable me to conclude that the installation was faulty or that the company should now be treated as liable for this. The company states in its submissions that, if the tape is relevant at all to the presence of a leak, it is not of a type that would have been used by the wholesaler in 1994 but would have been applied by a gas

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contractor. If the company is correct about this, the presence of the tape suggests that another contractor had access to the vicinity of the pipe. While I do not discount the customer's assertion that there was no disturbance of the area after the meter was installed and that the damage found was close to the meter, and I also note that the increase in the bills occurred from 1994 onwards, I find that I cannot safely draw any conclusions that the meter was installed in a manner that fell short of the standard to be expected of the water company or was not damaged by another services provider. I note that the pipe was close to a sewer that served some former lavatories, which therefore might have led to some disturbance. There are no records about precisely what occurred at the time of the installation of the meter in 1994, nor to assist as to when, why, or by whom, the tape was applied. On the basis of the evidence before me, therefore, I am not persuaded that the wholesaler had installed the meter defectively and I therefore am not able to conclude that the wholesaler then supplied its services in relation to the meter installation to a standard that fell short of that which would ordinarily have been expected of it.

1994 to 2017

7. Following installation of the meter, there is no reliable evidence that the customer reported a concern about the level of water consumption at the club property until 2016. The documents submitted by the Consumer Council for Water (CCWater) make reference to a faint recollection on the part of the customer that the committee of the athletics club might have discussed high water consumption in 2013, but the committee of the club have found no minutes associated with this recollection and there is no evidence of a report of their concerns to the wholesaler. The wholesaler (which has searched its records) has no evidence of contact from the customer. The wholesaler says that nothing was known by the company of the possibility of a leak until October or November 2016. The company has a record that in November 2016 the customer, having contacted the company, was advised that as the club had a business account, he should contact a private plumber. This, in due course, and as a consequence of the work carried out in the customer's car park, led to the discovery of the leak.
8. The company denies that the wholesaler was under an independent obligation to consider the customer's consumption and assess whether this showed evidence of leaks in circumstances where the customer had not drawn the possibility of a leak to the company's attention. Moreover, as the water use was that of a members' club, the numbers and extent of water use at the property could not easily be gauged: the customer was in a better position to assess the significance of any change than the company. The company also relies upon the wholesaler's

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Scheme of Charges and the terms and conditions relevant to the installation of water meters. These have been submitted to me, and I am satisfied that both make clear that the customer is primarily liable for all water recorded by the meter, whether this has been put to a useful purpose or whether it has leaked. This means that I find that the customer was liable for the water measured by the meter. In the light of the matters referred to above, I find that the company has not, in imposing its charges on the customer in the period from 1994 to 2016, acted in any way other than an average customer would reasonably expect.

The extent of the allowance

9. The company has also submitted evidence that supports its contention that its policy is to give a leak allowance for a maximum period of six months. I am satisfied that as a consequence of the efforts of CCWater, it has agreed to extend this to give an allowance for fifteen months. I find that in circumstances where the company has acted, not only in accordance with its published policy but has also made a further allowance, it has acted in a way that a customer would reasonably expect. I find that the customer has not proved that the company would reasonably have been expected to have done more.

Conclusion

10. It follows from the matters set out above that the customer has not proved, overall, that the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person and I am not therefore able to find that the customer is entitled to further redress.

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 17 October 2018 to accept or reject this decision.

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- 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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Claire Andrews, Barrister, FCI Arb

Adjudicator

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