

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0755

Date of Decision: 8 June 2018

Complaint

The customer took over a hotel from 20 January 2017. It took until November 2017 for the billing to be correct. The company continued to send disconnection notices despite advising it would place the account on hold, causing the customer's staff to become unsettled and leave. The customer had to chase the company regularly. He has incurred costs for replacing staff, contacting the company, and also claims for distress and inconvenience.

Defence

The company does not dispute the facts of the case. It calculates that the customer is entitled to a Guaranteed Service Scheme (GSS) payment of £220.00. There is no evidence that staff left due to disconnection letters being received at the hotel. The compensation offered by the company is more than its gross margin for the customer's property. The company offered the customer the total sum of £900.00 in compensation, inclusive of the GSS payment.

Findings

The company did not bill the customer correctly from 20 January 2017 until November 2017, failing to resolve the customer's complaint made in April 2017. There was no evidence to demonstrate that staff had been lost due to the company's actions, nor to quantify the amount of compensation claimed. There was also no evidence of the cost of phone calls and other costs. There was insufficient evidence to recalculate the GSS payment that was due. The company's actions had greatly aggravated the impact of the billing error, increasing the compensation awarded.

Outcome

The company needs to take the following further action: pay the customer the sum of £970.00.

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The customer must reply by 6 July 2018 to accept or reject this decision.

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Party Details

Customer: []

Company: []

Case Outline

The customer's complaint is that:

- The customer took over a hotel on 20 January 2017. The customer attempted to obtain correct bills from this date. The customer wrote a letter of complaint to the company on 8 April 2017. Correct bills were not received until November 2017, however the statement provided by the company is unclear and contains numerous entries. The customer has spent considerable time attempting to resolve the issue, incurring costs including for telephone calls from the customer's home in Spain. The company continued to send disconnection notices to the hotel, despite the account being on hold. This caused some of the customer's staff to become unsettled and leave their jobs, quoting fear about the customer's financial strength. It became harder to reassure staff as the company continued to send disconnection notices on a regular basis.
- The customer requests a total of £15,000 in compensation: £10,000 for the cost of replacing 5 members of staff and £5,000.00 for lost time and training costs.

The company's response is that:

- The company accepts the factual scenario detailed by the customer. It has identified numerous failings on its part due to system and human failings. However, it denies that the customer's claim is proportionate. Based on the approximate annual use, the customer's annual payment provides £668.72 of income to the company. The customer is entitled to £220.00 under the guaranteed service scheme. It offered a further £680.00 in compensation, being greater than the annual retail element of the customer's bill. The customer has not substantiated his claim that

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staff left because of fears as to the hotel's viability. Account holds came off the customer's account, releasing disconnection letters. This was not alleviated as the customer did not make any payment on account.

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 took over the Oak Motel on 20 January 2017 and became liable for the cost of water services on this date. It is accepted that the company did not provide accurate billing to the customer until November 2017. The evidence shows that numerous errors were made, resulting in account statements being provided by the company that contain numerous entries of bills, "original bill withdrawn" and "revised bill" with no explanation. I acknowledge that the customer is not specifically claiming for the time spent by his bookkeeper attempting, without success, to confirm that the billing is now accurate, however I find that the frustration caused by this issue does form part of the customer's complaint.
2. In light of the facts being undisputed, I find that it is not necessary to provide a detailed version of events except where this is necessary for the award of compensation. I shall therefore provide detail of the company's failures only where it is necessary to explain the calculation of any award.

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3. The customer has requested £10,000.00 for the cost of replacing and training staff. He states that the staff members left, quoting fear for their job security, fueled by the disconnection letters sent by the company as the staff felt that the letters indicated that the customer could not finance the hotel.
4. I have not been provided with any evidence to demonstrate that the staff members left quoting the disconnection letters as the sole or a major reason for leaving. I have also not been provided with any evidence demonstrating the cost to find replacement staff or to train new staff members. I also have no information demonstrating that the staff turnover was greater than usual or anticipated, based on the industry and the hotel's history, to show that the customer has incurred costs over and above those anticipated in the ordinary course of business. For these reasons I am unable to make any award to the customer in respect of the staffing costs.
5. Notwithstanding this, I note that the customer has consistently advised the company that the disconnection letters were disrupting his staff. The customer is also based in Spain and would therefore rely on his staff to deal with letters sent to the property. I accept that this issue will have reasonably caused stress and frustration to both the customer and his staff members based at the hotel.
6. The remainder of the customer's claim has been broken down in his 23 April 2018 letter to WATRS. The customer calculates a total of £2,010.90 and €16.50 for the cost of calls and letters to the company, and the time spent by the customer in contacting and chasing the company. He has also expressly claimed £2,500.00 for distress and inconvenience.
7. I am only able to award compensation for monetary loss where evidence of this has been provided. I have not been provided with any evidence, such as telephone bills, to demonstrate that the customer has incurred costs in calling the company. Whilst I acknowledge the time spent in chasing the company, I find that this is a claim that must be brought under the heading of distress and inconvenience and cannot be claimed for separately. Accordingly, in the absence of any evidence of monetary loss, I am unable to direct the company to reimburse any of the customer's costs.

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8. Finally, in respect of the claim for distress and inconvenience, I am satisfied that the company's actions did cause significant stress and frustration to the customer from January 2017 onwards, and in particular from 8 April 2017 until November 2017 when the billing issue was corrected.
9. As above, I am satisfied that the distress felt by the customer's staff upon receipt of disconnection notices can also be considered as the property was known by the company to be a business, and as the customer is based abroad and would not have received the letters directly.
10. I note that the company is bound by the Guaranteed Service Scheme (GSS), requiring set compensation to be paid to customers where the company fails to respond to queries and complaints on time.
11. The company states that it has calculated the GSS payment for the various failures in respect of the customer's account and that the customer is owed £220.00. I acknowledge that the customer disputes this, however I have not been provided with detailed records showing every call date and all email correspondence. In the absence of this, I am unable to find that the GSS payment is incorrect. However, I note that the company only calculated the GSS payment at the behest of the Consumer Council for Water (CCWater). This is despite the GSS scheme requiring prompt payment in the event of a failure to respond in time, and requiring such payments to be made proactively by the company.
12. In considering the level of service shown by the company, I am satisfied that there have been numerous failures. The evidence shows that the customer had to chase the company frequently, that the company failed to meet advised deadlines, that it failed to promptly rectify the billing issue, that it did not pro-actively keep account holds in place whilst the issue was ongoing, and that communication with the customer was generally poor.
13. I find that the issue of incorrect billing from January to November 2017 is a serious one. I also consider that the company's actions acted to aggravate the impact of this issue as it repeatedly failed to resolve the billing issue despite numerous complaints from the customer; the customer kept the company apprised of the inconvenience and distress the issues were causing him and his staff; the company's responses were brief, lacked detail and contained deadlines for updates that were not kept; there was little evidence of any coherent action being taken to resolve the

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billing issue; the delay in resolving the issue was clearly excessive; and, the company failed to observe the GSS scheme until directed to do so by CCWater.

14. I consider that the billing issue, whilst serious, would only warrant around £300.00 in compensation for distress and inconvenience, had it been handled appropriately by the company. However, in light of the serious aggravating factors surrounding how the company handled the customer's complaint, I consider that the compensation should be multiplied by 2.5 to adequately reflect the inconvenience and distress caused to the customer. I therefore find that the customer is entitled to £750.00 in compensation, in addition to the GSS payment of £220.00. I therefore direct the company to pay the customer the total sum of £970.00 in compensation.

Outcome

The company needs to take the following further action(s): pay the customer the sum of £970.00 in compensation.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 6 July 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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A handwritten signature in black ink, consisting of a stylized, cursive 'A' followed by a long horizontal line that ends in a small flourish.

Alison Dablin, LLM, MSc, MCI Arb

Adjudicator

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