

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0761

Date of Decision: 20th August 2018

Complaint

The customer states that the company has charged him incorrectly between December 2000 and September 2016 due to the wrong meter readings being allocated to his property. The company has refunded £4,108.32 to cover these overpayments. The customer seeks compensation of £500.00 for loss and inconvenience as well as interest upon the amount refunded.

Defence

The company accepts there was an overpayment and refunded the customer's money when the error was realized. The company states it is not obliged to pay compensation or interest to the customer. The company has offered to pay a sum of £250.00 to the customer as a goodwill gesture, the customer has declined this offer. The company does not believe that the responsibility for the meter being wrongly attributed to the customer rests with the company.

Findings

The company has not failed to provide its services to the customer to the standard to be reasonably expected by the average person. Compensation is awarded to reflect the interest payable in accordance with the WATRS scheme rules.

Outcome

The company needs to take the following further action: pay £500.00 in compensation to the customer.

The customer must reply by 18th September 2018 to accept or reject this decision.

- It was discovered that the customer had been charged for readings from meter 95M[]8 when the customer's meter was actually meter 95M[]1.
- The company accepted that this mistake had been occurring since 20th December 2000.
- A refund of £4,108.32 was paid to the customer on the 30th January 2017 in respect of the over-charging.
- The company states that it does not pay compensation or interest in such cases.
- The company states that it cannot be expected to have been aware of the mistake regarding the meter readings until it was brought to the company's notice.
- The company submits that it has offered £250.00 as a good will gesture to the customer, which has been refused.

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?

1. The central issue in this claim is whether or not the company should pay compensation and interest to the customer for the overcharge to the customer's account. One key point in that question is whether or not the company can be held responsible for period of erroneous billing and the wrong meter being allocated to the customer's account. Further, WATRS scheme Rule 6.7, details that interest is payable where the customer has been charged incorrectly in accordance with section 69 of the County Court Act 1984. I note that it is accepted by the parties

that the customer was for a period of years incorrectly billed and that this resulted in an overcharge of £4,108.32.

2. The customer's position is that he had paid the bills in good faith. He states in his application that when he moved into his home in 2000 it was the first property he had owned and, therefore, he was not aware of what charges would be normal for a single occupant. The company states that it had no way of knowing that the wrong meter was being used to charge the customer until the issue was raised with them by the customer in 2016. Taking into consideration the agreed facts, that the customer was overcharged by £4,108.32, I find that the customer has done enough to show that there is a case to be answered by the company, namely that the meter was wrongly allocated and that the company bears responsibility for this error.
3. The company's position regarding its responsibility for the overcharging error is outlined in evidence in its letter dated 26th June 2017 to the customer. Within that letter the company states, "*We had no way of knowing that the meter serial number registered to your home was incorrect.*" This was the company's initial response to the customer's request for compensation and interest. In addition to this, the company defence states: "*We could not have reasonably known before Mr. [] raised his concerns, that we were billing him on the wrong meter. Unless a customer has provided the information in the form of a metering application or in a conversation with us that is then recorded on our billing system, we don't hold information on how many occupiers are in the property and we do not hold information on each of our customers' water usage habits.*"
4. I note that the customer requested information from the company in June 2017 as to the method the company used to label the meter and assign it to a customer. The customer wrote the following query to the company: "*Can you confirm one question, when [] Water supply water to a new domestic address, who actually "labels" up the meter to make sure the readings are accurate?*" The company replied on the 28th June 2017 that this information could be given to the company by: "*the developer of a property, our customers, our developers services team or our engineers.*" The correspondence goes on to state, "*We have been billing 9 Rose Lane since 1995; therefore, I'm unable to see why we originally registered the incorrect meter details to the property.*"
5. I am mindful that the company has provided any explanation as to why it is unable to provide more details regarding the labeling of the meter. However, I appreciate that the meter was first registered in 1995 and that it may not now be possible to provide the information requested. The evidence supports a finding that the error that led to the customer being incorrectly billed took

place at least five years before the customer purchased the property in 2000. I have insufficient evidence to make a finding as to the cause of the incorrect allocation of the meter details to the customer's property. Nonetheless, it is reasonable to conclude that the customer bears no responsibility, in these circumstances, for the error regarding the meter readings. I also acknowledge the customer's submission that this was his first property and he had no way of knowing that he was being overcharged for his water usage. I note that when the customer did have cause for concern upon receiving his bill in September 2016 he contacted the company straight away. I accept the company's submission that it does not hold information on occupancy levels or water usage habits, but this does not bear directly on the point in question: that of the responsibility of the meter allocation. I take into account that the average person would expect that the meter for which they were being charged was the meter that was measuring the water usage of their household.

6. I acknowledge that the water company is obliged to provide an accurate bill to the customer. I am also mindful of the fact that the company is required to have a charges scheme with terms and conditions and that these are overseen by OFWAT. Nonetheless, it is clear that, notwithstanding its duty to provide accurate bills, the company is entitled to assume that its meters are operating correctly unless it is made aware, or otherwise put on notice, that there is an issue with the meter. The company have stated that there was no way for it to know that the meter had been wrongly allocated and the customer has not provided any evidence to counter this claim. I find that I cannot hold the company to a standard that is more onerous than legislation or industry regulations require. I accept the company's position, on the evidence before me, that it did not have any way of knowing that the customer was being overcharged due to the allocation of the wrong meter to his account.
7. On balance, I find that on the evidence it has not been shown that the company did not provide its services to a standard reasonably expected by the average person.

Remedy:

8. I note here that the company has not been found to have failed in its service provision. However, as the customer has sought to recover interest on the overcharged amount for the full period I must consider CISAS scheme Rule 6.7 (as per paragraph 1 above). I find that regardless of fault the customer is entitled to some redress to compensate him for the detriment he states he experienced as a consequence of being overcharged. I take into account that fact that, although the company was not at fault, nevertheless the customer paid a debt that was not his.

9. As the customer was charged an amount of £4,108.32 incorrectly he is entitled to interest on this amount. Interest in cases such as this is not intended as a punishment but is simply meant to reflect the fact that the customer has been deprived of the money that was rightly his.
10. The customer seeks compensation of £500.00 and interest on the amount he was overcharged. The customer ticked the interest box on the application form indicating that he wished to pursue a claim for interest. I note that in his application his claim for compensation is based on "inconvenience and financial detriment." I consider that either compensation or interest would be appropriate redress in this matter and to direct both would be an overlap. I shall now discuss which would be the best method and remedy to apply.
11. In the circumstances of this case I have concluded that to apply a calculation to the figures, going back over 16 years, to try and ascertain an appropriate level of interest, would be unduly complicated. I am mindful that I do not have the yearly figures of the overpayments made by the customer. I find that any attempt to manipulate the figure of £4,108.32 to decide appropriate interest would be contrived and, in the circumstances, a better method of redress would be to consider a global compensation figure, which intends to reflect the fact that the customer is entitled to interest.
12. In assessing an appropriate amount of compensation to reflect the interest due, I take into account the fact that the loss to the customer occurred over a long period of 16 years, culminating in a large amount of money which he had overpaid. While I do acknowledge that the amount was cumulative and that the customer did not suffer the total loss for the whole amount of the time, as pointed out by the company in its letter of the 18th March 2018, nevertheless, the final effect was that a large amount of money was owed to the customer. I take into account the fact that once it discovered the issue with his meter the company did act to refund the overpayment back to the customer. The customer accepted the overpayment and has complimented the courteous manner in which he was treated by the company's employees between September 2016 and January 2017. However, I also take account of the fact that it is not a small thing to be deprived of £4,108.32 and it is reasonable to assume that the customer was inconvenienced by this overcharging. The customer states in his application that he experienced fluctuations in his financial situation during the 16 year period. I accept the customer's assertion that the overpayments he was regularly making were detrimental to his financial circumstances over the years. The inconvenience claimed by the customer does not have to be proved in the same way as other damages, that is by way of physical evidence. Based on the evidence provided, I am satisfied that there was loss suffered by the customer.

13. The customer has requested £500.00. I find that this is a reasonable request by the customer and adequately reflects the circumstances of the case. Although I haven't been able to calculate the exact amount of interest and have instead taken the route of awarding compensation for the interest due, I do feel that the actual interest on the overcharged amount would have been less than £500.00. I would qualify the fact that I intend to direct a £500.00 payment by reference to the factors in paragraph 12, particularly the fact that the customer has stated in letters to the company that he was put in a more difficult financial position due to the overpayments that he would otherwise have been. I therefore direct that a payment of £500.00 be made by the company to the customer in compensation. This payment is a global amount and includes any right to interest that the customer may have arising from this claim. This direction is made as a full and final settlement of the customer's claim against the company in respect of all matters arising in this application. In deciding this amount I have been mindful of the fact that I have found no fault on the part of the company on the evidence presented.

Outcome

The company needs to take the following further action:

Pay the customer £500.00 in compensation.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
 - The customer must reply by 18th September 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.
-

Johanna Higgins

Johanna Higgins Barrister, ACI Arb.

Adjudicator