

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0781

Date of Decision: 20 June 2018

Complaint

The customer complains that she received a Final Demand from the company, in the amount of £305.45, "out of the blue". The company failed to respond to her requests for an explanation and continued with its debt collection process. She disputes the accuracy of the charges applied. Furthermore, the customer is unhappy with the company's decision not to meter her water supply and she refutes the reason given by the company. The customer requests for the cancellation of the bill of £305.45 and for the company to pay her £100.00 in compensation for the distress and inconvenience caused.

Defence

The company submits that it sent the customer bills, reminders, a Final Demand and debt recovery notices regarding the overdue sums, and fully explained the Assessed Household Charges of £305.45 when queried by the customer. The charges are correct and due by the customer. It did close the customer's account and refund payments in error in October 2017 due its Complaints Case Manager believing the customer had not been placed on the correct tariff. However, it subsequently acknowledged this error and applied a credit of £100.00 as a gesture to say sorry. The company asserts that it is unable to install a water meter at the customer's property due to the customer being on a shared supply and because there are three sources of water feeding the property. The company did not make any offer of settlement.

Findings

The company is unable to install a water meter at the customer's property due to it being on a shared supply with three incoming sources of water. On balance, I accept that in this circumstance, an installation would be impractical and/or too costly and that this counts as an exception to the obligation the company is under to install water meters where requested by a customer. Furthermore, I am satisfied that the company placed the customer on the correct tariff throughout her occupancy at the property and provided bills, reminders and explanations for the charges raised, where relevant. There is no evidence of it overcharging the customer. However, the company did incorrectly close the customer's (single occupancy) Assessed Household Charge account and refund payments. In another instance, it failed to respond to the customer's request to cease collection activity. I find that these instances

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are evidence of the company failing to provide its services to a reasonably expected standard. It did apply a credit of £100.00 in recognition of it incorrectly closing the customer's account and refunding payments, which I find to be reasonable. However, I find that the company is required to pay the customer further compensation of £25.00 for failing to reply to the customer's correspondence when it should have.

Outcome

The company shall pay the customer £25.00 in compensation.

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

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0781

Date of Decision: 20 June 2018

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- She received a Final Demand for £305.45 from the company “out of the blue”, following its decision not to install a water meter at her property. She believes £194.53 of that figure is a refund that was made to her for overcharging that the company then changed its mind about and demanded it back. This is unacceptable.
- It has failed to respond to her queries regarding the amount requested yet it has continued with the debt collection process, threatening to refer the debt to a debt collection agency. She feels that the company has not been honest about its error; rather than explain it, it has chosen to threaten and bully her. It has never explained the extra amount sought of £110.92.
- The customer does not accept the reason given by the company for it being unable to install a water meter. On the first visit, she was advised it could not install a meter due to three separate incoming water supplies at her home and it was only able to meter two of them and that she would have to pay for the third. However, on its second visit she was advised her property could not be metered at all. The customer feels that the company has been uncooperative surrounding her request for a water meter.
- She would like the company to be forced to install a water meter as the unmetered charges are more than she would be paying if she had a water meter.
- The customer requests that the company cancel the bill for £305.45 and pay her £100.00 in compensation for the distress and inconvenience caused.

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The company's response is that:

- The customer moved into the property at [] ('the Property'), on 9 December 2016 and it sent her a bill for £97.13 for the period 9 December 2016 to 31 March 2017 based on the Rateable Value ('RV') of the Property.
- It received the customer's Optional Metering Application ('OMA') on 16 December 2016 via its website and on 5 January 2017, it surveyed the Property for a water meter. It confirmed to the customer that the Property was unmeterable and left information with her explaining its alternative Assessed Household Charge ('AHC') tariff that it could apply to her account, including the cost for 2016-2017.
- On 10 January 2017, it closed the customer's existing account effective from the date the OMA was received (16 December) and provided a closing bill of £6.02 for 9 to 16 December 2016. It opened a new account, effective from 16 December 2016 (to 31 March 2017) based on the (single occupancy) AHC tariff, for £75.36 (including the overdue balance of £6.02 from the previous account).
- On 8 February 2017, it sent the customer her annual bill for 2017-2018. At this time, she had paid £6.02 and so the outstanding balance totalled £306.76. She made further payment of £63.32 on 28 March 2017 via her payment plan ('PP'). On 3 April 2017, it sent confirmation of a new PP it had agreed with the customer, in relation the outstanding balance of £243.44.
- It received a complaint from the customer in September 2017, in which she complained about her water charges and reiterated her request for a meter, in accordance with her legal right. During calls on 3 and 4 October 2017, its Complaints Case Manager (CCM) explained to the customer why her property could not be metered and offered to send its Customer Representative (CR) to visit the Property in order to re-check the supply with a technician and to explain the charges face to face. The visit went ahead on 11 October 2017, as agreed and, after all the explanations given, the customer confirmed that she was satisfied with the single occupancy AHC basis of charging.
- The company admits that its CCM incorrectly closed the customer's account following the phone call on 3 October 2017 due to its CCM believing the customer had not been placed on the correct (single occupancy) AHC account. The company accepts this was an error as the customer was already being billed on the (single occupancy) AHC tariff. The effect of this was that the customer was refunded the payments totalling £195.18 (directly to her bank account). However, it only refunded £194.53 as it had charged customer 65 pence due to the new account commencing on 18 December 2017. It apologises for this information not being made available to the customer until now.

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- The CCM also opened a new account (29796-01031) to ensure that the billing was completely accurate on the single occupancy tariff and she was re-billed £305.45 for the period 18 December 2016 to 31 March 2018.
- During a call with the customer on 3 November 2017, it agreed to a £20.00 per month PP but advised this would leave an outstanding balance. The CCM confirmed her previous payments had been refunded and, as the customer indicated that she was unhappy with the situation, it agreed to carry out a further review of her complaint.
- In its letter to the customer dated 15 November 2017, it confirmed that it had closed her account in error and refunded all her payments to her bank account, re-billed her on a new account number and agreed a PP of £20.00 per month. It advised of her option to contact the Consumer Council for Water ('CCW'), but stated that as it had made its position clear, it would not be able to communicate with her again about the same issue.
- It did not receive payment from the customer via direct debit ('DD') and so cancelled the customer's PP and sent a letter on 21 December 2017 reminding her of the outstanding balance. The customer disputed the bill in her email dated 2 January 2018, however, as she had raised no new points and it had detailed the outstanding balance, it did not respond.
- On 15 January 2018, it sent a Final Demand advising that if payment was not received, it may ask a Debt Collection Agency (DCA) to contact her to recover the balance outstanding. On the same day, the customer e-mailed to advise that it should put her account on hold as she was now engaging with CCW. However, as the charges were (and are) correct and payable, it did not comply with her request and on 1 February 2018, it sent a Notice of Further Action.
- The customer called on 12 February 2018 asking for copies of her bills and a statement of account which it sent the same day. She also requested that it put her account on hold because she was going on holiday. It explained that it would not be in a position to do this as the bills were correct. On 4 March 2018, it sent the customer her 2018-2019 annual bill for £242.51. As no payments had been received, the total outstanding balance was £547.96.
- Following contact from CCW on 12 March 2018, it conducted a further review of its dealings with the customer. It acknowledged that it had closed the customer's account number, 37206-97122, and refunded her payments to her on 3 October 2017 in error and to say sorry for any inconvenience caused, it applied a goodwill gesture of £100.00 to her new account.
- On 9 April 2018, the customer was not satisfied that her bills were correct and advised CCW that she did not believe her bills were payable.

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- The company denies overcharging the customer or that the customer received the payment demand for £305.45 “out of the blue”; it had sent bills, reminders, a Final Demand and debt recovery notices regarding the overdue sums and fully explained the charges when queried.
- The company submits that it has explained to the customer why it cannot meter the supplies to her property and checked this more than once.
- It denies liability for dismissing the bill for £305.45, as sought as the charges are correct and payable and it does not accept liability for the £100.00 in compensation sought.

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. I remind the parties that adjudication is an evidence-based process and it is for the customer to show that the company has not provided its services to the standard that would reasonably be expected of it.
2. The dispute concerns alleged overcharging, failure by the company to explain the payment demands and a complaint regarding the company’s refusal to install a water meter. The customer is unhappy with the AHC method of charging and submits that the company is overcharging her and that her bills would be less if her water supply was metered.

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3. Water companies are legally obliged to fit water meters where a customer has requested one, unless it is impractical or too expensive to do so. In the customer's case, the company asserts that due to the property being on a shared supply (with three incoming water supplies), it is unable to fit a water meter. The company has supplied the OFWAT guidance document titled "water meters – your questions answered". On page 15, under the title "If your company cannot install a meter", it gives examples of where a water company may not be able to fit a meter. I find the examples given include shared supplies and where there is more than one incoming supply of water to a property. In light of this evidence, and as I consider that the company has shown that it has fully investigated the customer's request for a water meter during two visits to her property, I accept its assertion that it is unable to fit a meter. I am satisfied that the company has shown that the customer's situation falls into the above category of it being too impractical and/or expensive for it to fit a meter. As such, I find no evidence of the company failing to provide its services to the standard to be reasonably expected by the average person.
4. The company has highlighted that the customer has the option of engaging with the owner of the block of flats regarding a potential reconfiguration of the plumbing at her flat to allow for a water meter installation. I accept the company's submission; however, as I consider that such a course of action is a matter for the customer and any relevant third parties to decide between them, I will not address this issue further.
5. In relation to the complaint about the (single occupancy) AHC tariff and the Final Demand for £305.45, the company has submitted its Charges Scheme for 2017/2018, which I find confirms its entitlement to charge customers using AHC where water meters cannot be fitted (unless the customer opts to remain on the RV method). I accept from the evidence supplied that the AHC is an estimate of what the metered bill might have been as it is calculated based on the average metered water consumption (it also takes in account other factors including the number of bedrooms at the property and the number of occupants).
6. The company has supplied a comprehensive log of the customer's charges it has applied since she first moved into her property on 9 December 2016. This shows she was billed for water usage when she first moved to the Property, based on RV. As there was no water meter fitted at the Property, and as RV is a standard billing method used by water companies where there is no meter at a customer's property, I am satisfied the initial charges raised were correct. Following the customer's request for a water meter via the company's OMA on 16 December

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2016, due to the company concluding it was unable to fit a meter (as discussed above), it placed the customer on its (single occupancy) AHC tariff. In light of the evidence supplied by the company including its Charges Scheme, OFWAT guidance, its Code of Practice and the information left with the customer following her meter survey, supplied at Appendix 3, I accept this to be the correct tariff in the circumstances and also that this is the lowest possible tariff available in the customer's circumstance. Further, I am satisfied that the company has reasonably sought to explain the basis of (single occupancy) AHCs to the customer throughout its communications with her. Therefore, I find no evidence of the company failing to provide its services to a reasonably expected standard here.

7. The customer complained about the level of charges to the company in her e-mail dated 21 September 2017 and, in response, the company's CCM called her on 3 October 2017 to discuss the charges. The company acknowledges that it then incorrectly closed the customer's account (reference 37206-97122) and refunded payments totalling £194.53, directly to her bank account. In light of the evidence, I accept the company's explanation that this action was taken by its CCM as they believed the customer's AHC did not take into account her single occupancy. Whilst the customer was in fact already on the correct (single occupancy) AHC tariff, the company has highlighted that in this situation, rather than refunding the payments, her payments should have been transferred across to the new account opened. In light of such errors, I am satisfied the company failed to provide its services to a reasonably expected standard on this occasion.
8. The company did, however, send the customer a 'final bill' dated 3 October 2017 that showed her payments of £194.53 had been refunded into her bank account and, at the same time, it sent her a new bill for £305.45 reflecting the re-billed charges from 18 December 2016. For the sake of clarification, the company points out in the Defence a discrepancy of 65 pence between payments made and the amount refunded to the customer and states this was due to the new account being opened effective from 18 December 2016 rather than 16 December 2016. As I am satisfied this difference did not result in any loss to the customer, and as the company has now explained and apologised for this, I will not address this point further.
9. I accept the company's explanation that the figure of £305.45 represents the charges of £194.53 refunded that should have been transferred to her new account, plus the remainder of the charges owed to 31 March 2018. I accept that the company explained the charges to the

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customer during a phone call on 3 November 2017. Further, in its subsequent written reply dated 15 November 2017, the company reiterated that her account had been closed in error on 3 October 2017 with the payments refunded and that it had opened a new (single occupancy) AHC account (no. 29796-01031) and re-billed the charges due from 18 December 2016 to 31 March 2018. The errors were explained again in the CCW responses to the customer dated 29 March 2018 and 13 April 2018, at which point the company agreed to pay the customer £100.00 in compensation in recognition of the confusion caused by its actions. In addition, the company has evidenced that following the bill sent on 3 October 2017, it sent the customer a PP on 3 November 2017 in respect of the outstanding charges of £305.45 and a payment reminder on 21 December 2017 before it issued the Final Demand on 15 January 2018.

10. I can see that the customer queried the charges of £305.45 with the company by e-mail on 2 January 2018. The company did not issue a response but it submits this was because it had already explained the charges in its previous response dated 15 November 2017. As I am satisfied that the company had explained the charges in its previous response of 15 November 2017 and that it had also stated it would be unable to communicate with her further regarding the matter as it had explained its position, I do not consider that its failure to respond was unreasonable. However, I consider its failure to respond to the customer's subsequent e-mail received on 15 January 2018 (copy not enclosed with the Defence), was unreasonable. Here the customer had asked the company to stop collection activity whilst she engaged with CCW. Whilst I accept that the company was entitled to continue with its collection activity in accordance with its legal right and policies, I find its failure to explain its position to the customer is evidence of a service shortfall by the company. However, I do not consider this amounts to evidence of "bullying" by the company as alleged and I am satisfied that the company later explained to the customer why it would not put a stop on its collection activity during her call of 12 February 2018.

11. In her supporting submissions, the customer refutes that she should have to pay water charges, in advance. I am satisfied that the company is authorised under the Water Industry Act 1991 to request payment from the customer for her AHC in full by 1 April of each year, unless a PP has been set up. The company has evidenced that the customer has not made payments in accordance with her most recent PP set up and, as such, I find that the company is entitled to ask for her annual bill for 2018/2019 (£242.51) in advance. I acknowledge that together with the £305.45, the customer's outstanding charges total £547.96.

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12. In light of my above findings, I cannot accept the customer's claim that the Final Demand received from the company of £305.45 came "out of the blue" as I satisfied that the company provided adequate notice of her AHC charges via its bills, calls, letters and reminders previously sent to the customer. I am also satisfied that the company has shown it is within its rights not to install a water meter at the customer's property for the reasons set out above. Therefore, I find that it has not been established that the company is liable to cancel or dismiss the customer's charges or install a water meter, as sought. As a consequence, these aspects of the claim cannot succeed.

13. The customer requests £100.00 in compensation. Whilst the company incorrectly closed the customer's account and refunded charges which, I accept would have caused some confusion and inconvenience to the customer, I am satisfied that the company explained to the customer its error made and the action taken to rectify this. Furthermore, I consider its gesture of £100.00 applied for these mistakes, is fair and appropriate in the circumstance. However, in light of the additional failure found to the effect that the company unreasonably failed to respond to the customer's e-mail of 15 January 2018, I find it fair for the company to pay the customer an additional sum of £25.00 in compensation.

Outcome

The company shall pay the customer £25.00 in compensation.

What happens next?

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