

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0783

Date of Decision: 7 November 2018

#### Complaint

The customer claims that in 2016, they were overcharged by £1,400.00 for their metered water usage, due to a leak found on the external meter. Despite the company confirming the leak at the time, it has since refused to provide a leak allowance on the basis that water consumption had declined prior to it identifying a leak, which it says shows the high consumption cannot be attributed to the leak found. The customer has confirmed that there was no leak fixed prior to the leak identified by the company at the end of January 2017. The customer asserts they cannot offer an explanation for the spike as there was no increased usage at the Premises. The customer seeks a leak allowance to cover the extra charges.

#### Defence

The company asserts that based on the meter reads, there was higher than average consumption recorded on the meter between February 2016 and November 2016. However the wholesaler, [ ] ('RST'), is responsible for deciding if the customer is entitled to leak allowance and it has not agreed to provide one due to the meter reads indicating a drop in consumption recorded prior to the repair undertaken by the wholesaler. The wholesaler submits usage did not decrease any further after it fixed the leak at the end of January 2017, which suggests it was a minor leak and not the cause of the spike in usage. It has not offered any settlement amount.

#### Findings

The evidence shows there was a spike in consumption between February and November 2016 and a leak was identified and then fixed by the wholesaler in January 2017. As the customer's retailer, the company is not responsible for deciding if the customer is entitled to a leak allowance, as such falls to the wholesaler. The company has, in its capacity of the retailer, challenged the wholesaler's decision not to provide a leak allowance for the leak found, however the wholesaler has consistently refused on the basis the recorded usage declined prior to the leak being fixed. Whilst the company cannot be held responsible for the wholesaler's decision, it is responsible for handling customer service for supply and billing issues as well as complaints, and I found that there were unreasonable delays when handling the customer's claim for a leak allowance and subsequent complaint raised. Further, the company

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did not pay the customer any GSS payments or compensation for the delays, which I am satisfied, would have been appropriate in the circumstances. This is evidence of the company failing to provide its services to a reasonably expected standard.

**Outcome**

The company shall pay the customer compensation of £125.00.

**The customer must reply by 5 December 2018 to accept or reject this decision.**

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# ADJUDICATOR'S DECISION

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## Party Details

Customer: [ ]

Company: [ ]

## Case Outline

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

- They are [ ], a business based at [ ] ('the Premises'). In 2016, they received a bill for water usage for the timeframe: February 2016 to November 2016 which included additional charges of approximately £1400.00.
- They disputed the unexplained spike in water usage recorded on the external meter with the company (formerly [ ]). The company investigated this in January 2017 and discovered that their water meter had a leak next to it (the water meter was submerged in a two-foot deep pit). The company repaired the leak but it has since stated that it did not contribute to the usage increase as the usage decreased prior to the meter leak being discovered and repaired.
- The Premises is used as office space and is always occupied during regular office hours. During 2016, it did not discover or have any external or internal leaks repaired at the Premises and there was no activity which would account for the higher usage. The number of employees has not increased.
- According to the figures supplied by the company they were losing 2.3 m<sup>3</sup> per day between 24 May 2016 and 25 November 2016 (taking into account their normal usage). This is a huge amount of water to be leaking every day and they would have noticed it.
- The company took three actual reads in 2016 and would have known by the read taken in May 2016 that their usage had increased but the company failed to contact them to advise of this until December 2016.
- They applied for burst/leak allowance; however, the company rejected it.
- The customer seeks a leak allowance to cover the full amount of the spike increase the company has calculated.

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

- The customer [ ] called on 13 December 2016 regarding the spike in their invoices. It advised the customer to complete a self-leak test however he did not inform it about the results until 27 January 2017. He advised that he had lifted the lid to his meter and his meter chamber was full of water. It advised him to call Leakline to report this. [ ] (RST), the Wholesaler, repaired the leak at the meter on 31 January 2017.
- Readings it has indicate that there was higher than average consumption through the meter between February 2016 to November 2016. Consumption following this spike returned to pre-February 2016 levels. This suggests that if there had been a leak then it had been repaired on or before the 25 November 2016.
- Following the repair by the Wholesaler, on 31 January 2017, consumption did not reduce any further. This suggests that the leak after the meter was negligible, and the high consumption that the customer is complaining about was remedied on or before 25 November 2016.
- In regards to the customer's request for a leak allowance, the wholesaler has not completely ruled out granting an allowance but has requested an explanation as to why consumption reduced prior to the repair being made by the Wholesaler. The customer has not provided this.
- In conclusion, after the repair carried out on 31 January 2017, average daily usage (ADU) remained at 0.54 m<sup>3</sup>. The customer has provided no explanation as to why consumption reduced prior to 25 November 2016.
- It appreciates that this is not the outcome that the customer was looking for, however it is satisfied that it has acted fairly and offered the customer the opportunity to explain the reduction in consumption so that the Wholesaler can consider an allowance.

### **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

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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 dispute concerns charges received for metered water usage, which the customer asserts is £1400.00 higher than expected for the timeframe 29 February 2016 to 25 November 2016. I acknowledge that the customer is a 'non-household' customer (a business) and further, I remind the parties that the company is the retailer and that RST is the Wholesaler (and water supplier) for the region in which the Premises is located. I note this division occurred as a result of government changes, which opened up the water market and came into effect on 1 April 2017. I find that the company and RST are therefore two distinct and separate entities. I remind the parties that a WATRS application can only be brought against one party. As the customer has a commercial water account, their case has been defended by the company, the retailer, and therefore, for the purposes of this decision, my remit is to determine the issues between the customer and the company. I am unable to consider any claims or complaints in relation to RST or other third parties.
2. The customer has submitted his complaint e-mail sent to the company dated 19 January 2017 (who were still RST at this time) and his e-mail to the company dated 17 September 2017, as well as the below meter readings, in support of his claim:  
*24.08.15 reading: 4437 (7 m<sup>3</sup> /13 days = 0.54 ADU)*  
*23.11.15 reading: 4492 (55 m<sup>3</sup> /91days = 0.51 m<sup>3</sup> ADU)*  
*29.02.16 reading: 4538 (46 m<sup>3</sup> /98days = 0.6 m<sup>3</sup> ADU)*  
*24.05.16 reading: 4666 (128 m<sup>3</sup> /85 days = 1.51 m<sup>3</sup> ADU)*  
*25.11.16 reading: 5184 (518 m<sup>3</sup> /185 days = 2.8 m<sup>3</sup> ADU)*  
*19.12.16 reading: 5197 (13 m<sup>3</sup> /24 days = 0.54 m<sup>3</sup> ADU)*  
*27.02.17 reading: 5238 (41 m<sup>3</sup> /70days = 0.59 m<sup>3</sup> ADU)*  
*28.03.17 reading: 5256 (18 m<sup>3</sup> /30days = 0.6 m<sup>3</sup> ADU)*
3. The company has supplied a 'Timeline' of events relating to the customer's case and I also acknowledge receipt of CCW documents.

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4. I acknowledge that the claim concerns charges generated from a spike in usage recorded on the customer's meter in 2016 and the company's failure to provide a leak allowance to cover the excessive charges, as per its policy. The customer disputes its decision not to award a leak allowance on the basis that the Wholesaler found a leak on its external meter on 31 January 2017. Therefore, it is clear that the dispute stems from the company's refusal to grant the customer a leak allowance for the leak identified.
5. I find that any operational issues are the responsibility of the Wholesaler and therefore leaks and deciding leakage allowances would fall to RST. However, as the customer's retailer, the company is responsible for handling customer service issues, billing and complaints and as such I will proceed to consider the dispute from the perspective of whether the company, in its role as the customer's retailer, provided its customer services to the standard to be reasonably expected when dealing with the customer's queries and complaint in regards to the disputed issue.
6. It is clear that there was a substantial spike in usage between February and November 2016. I accept that during these 185 days, the customer's ADU increased from approximately 0.5 m<sup>3</sup> to 2.8 m<sup>3</sup>, indicating approximately 2.0 m<sup>3</sup> of extra usage every day. This spike occurred when the company was still RST, however, the company has supplied evidence of its communications with the customer dating back to 13 December 2016. I note this was the date the customer first complained prompted by notification that their monthly direct debit would increase from £64.03 to £195.99 as a result of the spike in usage. Therefore, I will consider the same timeframe.
7. The Wholesaler suspected a leak when the customer advised of the results of the self-leak test on 27 January 2017 and the leak was confirmed when the Wholesaler examined the customer's external meter on 31 January 2017. I can see that the customer was told by RST to expect a credit for the leak however, there is no evidence of any action being taken in regards to progressing his claim until the customer contacted the company on 7 March 2017 to chase up the matter after he had received a further bill from the company in relation to the disputed amount. The company apologised for the delay and advised the customer it would chase the leak allowance with the Wholesaler. On 28 March 2018, the company called the customer to advise it was still waiting for the information and that it would call the customer when it had an

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update. It appears from the Timeline that the company then submitted a claim form on 19 April 2017 and was in correspondence with the Wholesaler on 27 April 2018 before the wholesaler advised the company on 11 May 2017 that it could not process a leak allowance at that time because it required further information from the customer surrounding the drop in usage indicated by the reading taken on 19 December 2016. The Timeline indicates that the customer called the same day chasing the matter and the company relayed the response it had had from the Wholesaler.

8. In light of my above observations, it is clear there was a substantial delay in investigating the customer's request for a leak allowance (and adjustment to his bill) as it took from the end of January 2017 until 11 May 2017 before the customer was given any update (that the Wholesaler required further information). Whilst the company is not responsible for the delay and lack of response prior to 1 April 2017, I find it is responsible for the delay until 11 May 2017. I am also mindful that under the Guaranteed Standards Scheme (GSS) the company has 10 working days to provide a substantive reply to such billing queries. This deadline was not adhered to and there is no evidence of the company making any GSS payment for the delay or of it seeking payment from the Wholesaler, on behalf of the customer, for the delay prior to 1 April 2017. As I find that this would have been appropriate in the circumstances, I consider this to be evidence of the company failing to provide its services to a reasonably expected standard.
9. The customer advised the company during the call on 11 May 2017, that the Premises was closed for a three week period before and after Christmas and that January is not usually a busy period but that business usually picked up in February. The company advised the customer it would pass on this information to the Wholesaler, which it did but on 19 May 2018, however the Wholesaler did not accept this explanation for the decline in usage between the meter reads taken on 25 November 2016 and the subsequent ones taken on 19 December 2016 and 27 February 2017. The company advised the customer on 16 June 2017 of the Wholesaler's position. The Timeline indicates that on 10 July 2017 the customer requested all previous meter readings and the engineer report (of 31 January 2017) from the company. The company supplied the meter reads to the customer on the same day and forwarded the engineer report to the customer on 21 July 2017. I can see that in his complaint letter of 20 September 2017 the customer disputed the wholesaler's decision and raised a number of queries and concerns including how the meter was read on 25 November 2017 when the water pit had been full of water; this is the condition the customer found it in when he had read the meter on 19 December 2017, which necessitated draining the pit (which took 15 minutes using a bucket and which had

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filled up again after half an hour) to see the reading. The customer in his letter also disputed RST's suggestion that there was no leak/ the leak found on 31 January 2017 was negligible and challenged why they were not notified of the unusually high usage prior to December 2016.

10. The company raised the concerns with the Wholesaler and on 11 October 2017, the Wholesaler responded to the issues and explained that if there was a continuous leak until the repair on 31 January 2017, consumption would continue running at 2.8 m<sup>3</sup> per day or above; a leak would not reduce but get worse. The company advised the customer of the Wholesaler's reply on 19 October 2018. I am satisfied that this response did contain detailed reasons for the Wholesaler's continued refusal to provide a leak allowance and responded to the issues raised including an explanation as to how its meter readers are able to take reads with specialist equipment when chambers are full of water. The customer raised a complaint via the Consumer Council for Water (CCW) and in its response to the customer dated 18 January 2018, the company stated that the Wholesaler's position remained the same. I can see that the company challenged the Wholesaler again when CCW advised that the customer remained unhappy with the Wholesaler's refusal to pay a leak allowance. I note that its 5 March 2018 response to CCW, the company stated it did not think it was the right decision in view of the a leak was found on the meter. The Wholesaler has since advised it has not refused to give an allowance to the customer but that it needed clarification on events.
11. Therefore, based on the evidence, I am satisfied that, overall, the company has challenged the Wholesaler, on behalf of the customer, regarding its refusal to award a leak allowance in relation to the usage spike and leak found. Whilst the Wholesaler has said it requires the customer to clarify events, the customer has confirmed, via the company, that apart from the closure of the Premises for three weeks during Christmas, he is unable to offer any other possible explanation for the spike as no leaks were identified or fixed prior to the one found by the Wholesaler and nothing happened at the Premises which would explain the spike. He has reiterated this position in the Reply and suggests that as the Wholesaler did not investigate it during the period of high usage, the onus should be on the Wholesaler to determine the cause of the spike if it will not attribute the leak to the high usage. However, as explained above, the claim relates to an operational matter, therefore the company cannot be held liable for the Wholesaler not accepting the customer's stated position in relation to the spike. Therefore, on this basis I cannot make any direction for the company to provide the customer with a leak allowance, as this decision remains with the Wholesaler.

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12. However, there were substantial delays, initially in progressing the customer's claim for a leak allowance and then throughout the complaint period when providing responses to the customer's communications and questions raised. I am mindful that the customer's complaint has been unresolved for nearly twenty months and whilst I am mindful that the company is reliant to some extent on the wholesaler for it to provide prompt responses, I am satisfied that at times, the company itself delayed in progressing the customer's case and issuing responses and it failed to ensure the customer was provided with GSS payments for delayed responses on at least three occasions, which I find would have been appropriate in the circumstances. I also consider that it should have done more to chase up responses from the Wholesaler to ensure the customer received timely responses and that customer was paid GSS payments for the delays. For this reason, I find that it fair for the company to pay the customer £125.00 in compensation for the stress and inconvenience caused by these failures.

#### **Outcome**

The company shall pay the customer compensation of £125.00.

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

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 5 December 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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