

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0823

Date of Decision: 8 June 2018

#### Complaint

The customer complains that the company installed a bulk water meter and closed her individual water account that she has had for 22 years, without her consent or providing her with any notification. She is concerned this change to billing arrangements will lead to higher water charges, which she understands are to be included in her service charge from the managing agent/freeholder of her block going forwards. The customer is also dissatisfied with the standard of customer service provided by the company. She submits the company only refunded the surplus payments she had made to her water account following her complaint.

#### Defence

The company accepts it should have sought the customer's consent in relation to the installation of the bulk water meter, and that its previous responses to the customer's complaint were inaccurate. The company acknowledges the issues raised regarding the way the customer and her neighbours are being charged for its water services and confirms that it is in the process of addressing these issues. The company asserts, however, that the customer has not proven any losses incurred. The company has not made any settlement offer to the customer.

#### Findings

Disputes concerning bulk supply and resale of water are outside of the scope of WATRS; however, the majority of the claim concerns the standard of customer service provided by the company, which falls within the scope. The company failed to seek the customer's consent or notify her about the change to the way she was to be billed for water and waste water charges as a result of its installation of a bulk supply water meter. It also provided unclear and inaccurate information in its responses to her complaint and failed to commit to addressing the issues raised until the date of its Defence, despite previous opportunities to do so. Furthermore, it did not refund surplus charges owed to the customer in a timely manner. Therefore, the company failed to provide its services to the customer to the standard to be reasonably expected. The company shall pay the customer £200.00 in compensation for the stress and inconvenience caused to her.

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**Outcome**

The company shall pay the customer compensation of £200.00 and provide a written apology.

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

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0823

Date of Decision: 8 June 2018

## Party Details

Customer: [ ]

Company: [ ]

## Case Outline

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

- She is a private leaseholder and has been billed directly from the company for the past 22 years for water service at her property at [ ] ('the Property'), on the Assessed Household Charge ('AHC') basis. However, last year the company installed a water meter to serve the whole block of flats where she lives.
- The company failed to inform her of its intention to install a water meter and to stop charging her on an individual basis. She did not give her consent for the water meter to be installed. Neither did she agree to being billed via third party management agents.
- Her concern is that the change will result in her paying more for her water services because, as oppose to be being billed individually for her private water usage, her usage will be pooled with other similar flats in the block regardless of whether they are occupied by more people, thus she will be, in effect, subsidising other people's usage.
- The company only agreed to forward the surplus payment on her water account that it had closed following her complaint.
- The customer seeks an apology and compensation (an unspecified amount) from the company for its poor service provided surrounding this issue.

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

- It confirms that it recently closed the customer's account as, following the installation of a new water supply to the block of flats where she lives, it is now billing her managing agent for the water and waste water services to the building through a bulk meter.

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- In reviewing the complaint, it has become clear that the method of charging for the water and waste water services at the block of flats is not straightforward and warrants further investigation.
- In order to apply the correct billing arrangements and resolve the customer's concerns, it will need to communicate with and seek agreement from all relevant parties, including the managing agents, the customer and all other residents. The time to complete this will depend on the speed of response it receives.
- While it would like to reassure the Adjudicator and the customer of its commitment to resolve this matter fairly and appropriately, it accepts that its previous communications with the customer have not been satisfactory.
- It acknowledges that the customer should have been asked to provide her consent to the changes in the way she was being billed for water and waste water charges. It would like to apologise unreservedly that this did not happen.
- However, the company highlights that it did not need to gain consent to provide water meters to the new common supplies serving the two blocks of flats at [ ], as, by law, all new water supplies have been metered since 1989.
- It is, however, sincerely sorry that, following the customer's initial complaint, it has not provided the level of service she is entitled to expect and it acknowledges that its responses to her complaint have been inaccurate. Nonetheless, she has not substantiated her claim for compensation and, as such, it does not know whether she has suffered any financial loss as a result of this.
- In its further submission dated 31 May 2018, the company asserts that it acknowledges the issues with the way the customer and her neighbours are being charged and reiterates that it is in the process of addressing this.

### 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.

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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 a change in a method of charging. I accept from the evidence that prior to 4 April 2017, the company was directly charging the customer for the supply of its water and waste water services to the Property, via its Assessed Household Charge (AHC). It is evident that the company closed the customer's account on 4 April 2017 on the basis that a bulk meter had been installed to serve the block of flats where she resides. The customer's complaint is that she was not consulted about the installation of the meter and nor was she informed by the company that her water supply was to be metered, effective from 4 April 2017. Furthermore, she asserts the company told her that the meters were installed at the request of her managing agents whilst her managing agents have indicated the contrary i.e. that the company instigated the installation.
3. At this juncture, I remind the parties that WATRS Scheme Rule 3.5 states that disputes about bulk supply, resale and third party complaints, all fall outside the remit of the Scheme. Therefore, I am unable to make any determination on the legalities of the bulk water meter or the new billing arrangement between the company and the customer's managing agents (the freeholders) as a result of the installation of the meter. Neither am I able to address the customer's concerns raised about the basis or fairness of her future water charges, which are to be included in her service charge. However, having reviewed the case papers, the majority of the customer's complaint concerns the standard of the company's customer service provided surrounding this issue and so, as this element falls within the scope, I will continue to decide the issues below.

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4. It is clear that the company did not seek to obtain the customer's consent or notify her in relation to the proposed installation of a (bulk) water meter that was to serve her block of flats, nor did it inform her that it would be closing her individual water account due a new arrangement whereby it would be billing the freeholder of the flats directly. In the circumstances, I would have expected the company to have, at the very least, notified the customer of the change. In the Defence, I am mindful that the company accepts that it should have sought the customer's consent. Therefore, I am satisfied that its failure to do so is evidence that the service provided by the company, in this respect, fell below a reasonably expected standard.
5. In its Defence, the company states that in order to apply the correct billing arrangements and resolve the customer's concerns, it will need to communicate with and seek agreement from all relevant parties, including the managing agents, the customer and all other residents. It adds that the time to complete this will depend on the speed of responses it receives. Whilst I accept this assurance given by the company, I find that its failure to either take this action or commit to taking this action sooner when the customer first raised this matter in her letters sent to the company on 10 June 2017 and 4 July 2017, or following the escalation of her complaint to the Consumer Council for Water in October 2017, is further evidence that the company failed to provide its services to a reasonably expected standard.
6. Furthermore, the company's stated position in the Defence is not reflected in its previous responses to the customer, dated 23 June 2017, 30 June 2017 and 11 July 2017; it did not acknowledge or apologise for its failure to ask the customer for her consent or inform the customer in regards to the change in the method of charging. Rather, the company advised the customer that it did not need to inform leaseholders about such changes and that she should take up any issues she had with the managing agents. The company's responses also contained inaccuracies and inconsistencies, including referring to the customer's managing agents as the customer's landlord and Housing Association. It also cited differing dates for the closure of the customer's water account. The company accepts that the responses were inaccurate and that the service provided in this regard was not to the level the customer was entitled to.
7. The customer submits that the company's claim that the (bulk) water meter installation took place as a result of the managing agent requesting the same, contradicts the managing agent's position which is that the company instigated the installation. Whilst I find that the evidence

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supplied supports the customer's submission that the company and the managing agents both state, in their respective correspondence to the customer, that the other initiated the new arrangement, the company has not addressed this point in its Defence. As such, due to insufficient evidence, I am unable to determine if this particular advice given by the company in its correspondence, was incorrect or not. Furthermore, for the sake of clarification, I would be unable to consider the validity or basis of a bulk water meter installation (if disputed), because, as mentioned above this matter falls outside of the scope.

8. I can see from the company's response to the customer dated 23 June 2017, that it confirmed there was a credit balance of £116.76 on the customer's water account following its closure on 4 April 2017. In the circumstances, I would have expected the company to have returned this amount to the customer automatically around the time it closed her account as opposed to retaining it for two and half months until after the customer's contact. I am satisfied that the delay was unreasonable and amounts to a service failing by the company.
9. The customer requests compensation for the poor service provided, although she has not stated the amount sought or evidenced any losses incurred. In light of the company's various shortfalls in the standard of service provided as set out above, I find it fair for the company to pay the customer a measure of compensation for the distress and inconvenience caused as a result of its errors. I consider that in the circumstances the company shall pay the customer £200.00 in compensation. I am satisfied that this amount is fair and proportionate to the proven issues.
10. The customer has requested an apology from the company. Whilst I acknowledge the company has offered an apology in the Defence, in light of the various service failures found above, I consider it reasonable to direct that the company provide a further written apology to the customer on this basis.

#### **Outcome**

The company shall pay the customer compensation of £200.00 and provide a written apology.

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

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- 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.
  - 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), MCIArb

**Adjudicator**

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