

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0870

Date of Decision: 3 October 2018

Complaint

The customer submits that the company fitted a meter at his home in 2001. Since the meter was installed, bills have been unusually high for the size of his household. He raised the issue with the company but the company informed him that his bills were correct. However, in July 2017, the company discovered a fault and exchanged the meter. The company informed him that the meter had been faulty since installation. The company gave him a refund of the overcharges paid and compensation to cover lost interest. However, neither the refund nor the amount given to cover interest are sufficient. The customer has also raised a number of complaints about the customer service provided by the company when dealing with his complaint. The customer now requests a further refund of charges in the sum of £900.00 and further compensation in the sum total of £1000.00.

Defence

The company submits that it has never accepted that the meter was faulty. Testing the meter, at the customer's cost of £70.00 + VAT, is the only way to conclusively prove whether a meter is faulty or not. The customer did not request that the meter be tested. It cannot insist that customers pay £70.00 to have a meter test carried out. If a customer does not pay the fee required, it must either insist that the readings are correct and all bills are payable after its engineer has established no fault or leak is found, or it will carry out a meter exchange in goodwill and compare the readings and usage. An engineer attended on 8 September 2017 and confirmed that there was no fault with the meter or the supply. However, on 3 November 2017, it exchanged the meter as a goodwill gesture. To enable it to undertake a meter exchange, its systems only allow it to request this by selecting either that the meter is "faulty", or that the meter is "damaged". There are no other options available to raise a request for a meter exchange. It accepts that this can be misleading to customers. Following the meter exchange, the customer's Average Daily Usage (ADU) was found to have reduced. It refunded the customer £2,460.60 and paid £200.00 for lost interest as a gesture of goodwill. It is not under an obligation to pay nor has customer provided any justification for the payment of any further monies.

Findings

A fault was found with the meter's connection in 2002. This fault was repaired and I am satisfied that the compensation provided to the customer at the time

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was appropriate and sufficient. No evidence has been submitted to this adjudication to support the customer's submissions that the company subsequently discovered a fault with the meter and informed him that the meter had been faulty since installation. The company exchanged the meter as a gesture of goodwill. The evidence indicates that the meter was more likely than not, faulty. However, I am satisfied that the refund of £2,460.60 provided by the company was sufficient. I am also not satisfied that the customer has shown that the company should pay him further compensation to cover interest lost. The company concedes that the way in which it describes meter exchanges on its systems is misleading to customers. The company failed to provide its services to the customer to the standard to be reasonably expected in this regard. The evidence also shows that a part of the total monies offered by the company was not paid in a timely manner. The company also sent misleading and/or inaccurate information about the customer's case to the Consumer Council for Water (CCW). The company therefore also failed to provide its services to the customer to the standard to be reasonably expected in these regards.

Outcome

The company needs to take the following further action:

I direct that the company pay the customer the sum of £150.00 in compensation.

The customer must reply by 31 October 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:

- The company fitted a meter at his home in 2001. Since the meter was installed, bills have been unusually high for the size of his household. He raised the issue with the company and, after a number of visits from engineers, it informed him that his bills were correct. He continued to pay the high bills but queried his bills again in 2016.
- In July 2017, the company discovered a fault and exchanged the meter. The company informed him that the meter had been faulty since installation. The company provided him with a refund of £2,460.00 on this basis. This refund was provided in an extremely slow fashion.
- Over the last 17 years, he estimates that he has overpaid the company by 52% on each bill.
- When this began he was in his 50s and is now in his 70s. The money would have been of more use at the time, as he was putting his son through university. He and his wife, at ages 75 and 76 respectively, have several debilitating medical problems and limitations on life expectancy. These factors should be considered together with a claim for interest on the money, which would have been invested but has been wrongly held and possibly invested by the company.
- The company has only paid £200.00 for the error as a gesture of goodwill and has refused to increase this.
- In the early stages of negotiation with the company, he initially requested £3,000.00 which included the £2,460.00 refund. However, the company rejected this proposal and since then the company has been remote and difficult to manage. Communication with the company has been with one person only – a junior representative. Despite requests, he has been unable to speak

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to a manager at any time. Following his complaint to the Consumer Council for Water (CCW), the company also sent misleading and inaccurate correspondence to CCW, which was forwarded to him. The additional workload, time required and worry inflicted with the necessary progress to CCW, and subsequently to WATRS, has been formidable.

- The customer now requests a further refund of charges of £900.00. The customer also requests further compensation in the sum total of £1000.00.

The company's response is that:

- It has never accepted that the meter was faulty since its installation.
- The customer was advised about his right to ask for his meter to be tested if he believed there may be a fault. Testing the meter via an independent company at the customer's cost of £70.00 + VAT is the only way to conclusively prove whether a meter is faulty or not and whether the customer is entitled to a refund of past charges.
- The customer has not paid £70.00 + VAT for the meter to be tested and neither has it been sent to the laboratory for the meter to be tested and deemed "faulty".
- It cannot insist that customers pay £70.00 + VAT to have a meter test carried out, but it is the only way to categorically establish whether a meter is faulty or not. If a customer does not pay the fee required, it must either insist that the readings are correct and all bills payable after its engineer has established no fault or leak is found, or it will carry out a meter exchange in goodwill and compare the readings and usage with the old meter for a period of time. If the usage is lower, then it will consider whether a gesture is appropriate or not.
- To enable it to request a meter exchange, its systems only allow it to request this by selecting either that the meter is "faulty", or that the meter is "damaged". There are no other options available to raise a request for a meter exchange. In this case, whilst it selected "faulty", this does not mean that any fault had been detected.
- The customer's account was opened on 18 July 2001; the meter fitted to the property was brand new and had an opening reading of zero. Following receipt of his first bill of £473.24 for the period 18 July 2001 to 26 February 2002, the customer made contact on 13 March 2002 as the bill was much higher than he had expected. Following a leak test undertaken by the customer on its instruction, which showed the meter was turning continuously, it attended the property. It found that the meter connection had not been fitted correctly. This was repaired on 9 May 2002. As this was its error, it agreed to charge the customer standing charges only and no consumption. The bill for £473.24 was therefore cancelled and a new bill was produced for the period 18 July 2001 to 17 June 2002 for £49.34.

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- There was little to no contact from the customer from then until 2017, and the next time the customer raised concerns about his meter reading and bills was on 11 August 2017.
- An engineer attended on 8 September 2017. The engineer confirmed that there was no leak on the supply and no fault was found with the meter or the supply.
- It also arranged for a visit from its Smarter Home Advisor to visit the customer on 20 October 2017 to see whether it would be possible to help the customer reduce his water consumption.
- The customer made contact on 1 November 2017 as he continued to be unhappy with his meter readings and bills, and felt that the meter must have been faulty ever since its installation. On 3 November 2017, it was agreed that it would exchange the meter. The customer did not request the meter to be tested so it believed that a meter exchange would be the best outcome and did this in goodwill for the customer.
- It has not accepted that the meter was faulty since its installation. However, it does recognise that the way it has to raise work on its systems, using the terms, “damaged” or “faulty”, does give rise to customers believing that the meter has been accepted as “faulty” if they see its notes relating to this.
- It calculated the refund of £2,460.60 based on an average daily use of 0.25cm³ per day. The customer’s average consumption based on the new meter is currently higher than 0.25cm³ per day. Had it waited before calculating his refund, the customer would have received a lower refund amount. The customer has benefitted from its actions and by it not insisting on the meter being tested.
- It does not agree that the refund of £2,460.60 was slow. Once the meter was changed, readings had to be obtained, calculations completed and justification sent to its management team. This then had to be agreed and signed, returned and applied to the customer’s account, and then refunded. The meter was exchanged on 3 November 2017, and the monies applied to the account and refunded on 5 January 2018. It does not believe that this was unreasonable.
- When the customer asked for interest on the refund, it initially offered a goodwill gesture £50.00, this was then increased to £200.00 to cover any interest he may have obtained had he invested the money and not spent it at the time the bills were paid. The customer accepted this. It must be remembered that when considering interest requests from customers, there is no Act, Scheme or Code that requires it to pay interest. If it was to provide interest, this would mean that it would have to increase customers’ bills to be able to pay it. Also, it does not charge interest on any bills that are owing and overdue.
- In an effort to assist the customer, it, in goodwill, took actions that the customer has perceived as acceptance that the previous meter was faulty. It has also provided an additional sum of

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money in goodwill, which has further added to Mr Jones's belief that it has accepted that the previous meter was faulty. However, this is not the case. It has provided these amounts as a customer service gesture only to resolve the customer's concerns quickly and to his satisfaction.

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. I must remind the parties that adjudication is an evidence-based process. Consequently, submissions made without supporting evidence are unlikely to be accepted as proven.
2. It is almost inevitable in such adjudications that conflicts of evidence arise, and the mere fact that the adjudicator finds in favour of one party on a particular issue does not mean that the other is telling an untruth. The adjudicator's role is to balance the evidence that is presented.
3. The customer has made a number of submissions about the parties' communications giving the dates when this contact took place. Some of these dates, such as the date when the customer queried his bills and when the meter was exchanged, are different to that given on the

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contemporaneous evidence provided by the company to support its submissions. I am inclined, on a balance of probabilities, to accept the company's contemporaneous evidence.

Meter

4. The evidence shows the customer first raised concerns about the meter on 13 March 2002. The company subsequently attended the property and it was found that the meter connection had been fitted incorrectly. I find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.
5. However, the evidence confirms the company's submissions that, following the repair, it cancelled the customer's bill for £473.24 and only billed him for standing charges in the sum of £49.34 for the period 18 July 2001 to 17 June 2002. I am satisfied that this was appropriate and sufficient in the circumstances, in terms of resolving the matter and compensating the failure.
6. The evidence confirms the company's submission that the customer next raised concerns about his meter reading and bills on 11 August 2017.
7. No evidence has been submitted to this adjudication to support the customer's submissions that the company subsequently discovered a fault with the meter and informed him that the meter had been faulty since installation. The company refutes the customer's submissions.
8. The evidence supports the company's submission that an engineer attended the property on 8 September 2017 and found no fault with the meter or the supply.
9. The company submits that the only way to conclusively prove whether a meter is faulty or not is by testing undertaken by an independent testing body, who will test the meter against industry standard water flows. The company further submits that under its policies and procedures if a customer insists on testing, a charge of up to £70.00 + VAT is payable, if the meter is found to be accurate. I accept the copies of its policies and procedures submitted by the company to support its submissions.
10. The customer does not dispute the company's submission that he was informed of his right to request that the meter to be tested if he believed there was a fault.

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11. I accept the excerpts from the customer's bills submitted by the company to show that information about meter testing was also provided to the customer on his bills.
12. The company submits that to initiate this process, a request for the meter to be tested is therefore required in writing. There is no evidence that the customer requested that the meter be tested.
13. Following the customer's continuing concerns, on 3 November 2017, the company exchanged the meter as a gesture of goodwill.
14. However, the company submits that to in order to request a meter exchange, its systems only allow it state that the meter is either "faulty" or "damaged". The company itself concedes that the way it raises work on its systems, using these terms, gives rise to customers believing that the meter has been accepted as faulty. I find that the company's system is misleading to customers and I find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.
15. Although, as discussed above, the meter was not tested; on exchange, the customer's Average Daily Usage (ADU) as recorded by the new meter was found to have reduced. The evidence therefore indicates that the meter was more likely than not faulty. The company calculated a refund for the customer. I am satisfied that this was appropriate.
16. The evidence shows that the company calculated a refund for charges from 17 June 2002 to 17 July 2017. I am satisfied that this was also appropriate as, as discussed above, the customer's usage charges from 18 July 2001 to 17 June 2002 had been cancelled. The evidence also confirms the company's submission that it cancelled all usage charges from 17 July 2017, the date of the last meter reading, to 3 November 2017, the date when the meter was exchanged.
17. The evidence shows that the company used an ADU of 0.25cm³, recorded one month after the new meter had been fitted, to calculate the refund. I note that this figure is 50% of the ADU of the disputed period. I also accept the company's submission that readings taken since show that this ADU of 0.25cm³ is in fact lower than subsequent readings recorded, and had the company waited the refunded amount would have been lower than the £2,460.60 refunded. Having carefully considered the matter, I am satisfied that the refund of £2,460.60 provided by the company was sufficient. I am not satisfied that the customer has shown that the company failed

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to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

18. The company also paid the customer £200.00, increased from an initial offer of £50.00, as a gesture of goodwill gesture, to cover any interest he may have obtained had he invested the money. There is no evidence to show that the company was under any obligation to pay the customer interest. I am also not satisfied that the customer has shown that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

19. The evidence confirms the company's submission that the customer was provided with a refund on 5 January 2018; two months after the meter was exchanged. In light of the company's submissions about the processes that had to be undertaken before the monies could be applied to the account, which I am inclined to accept on a balance of probabilities, I accept the company's submission that it acted within a reasonable timeframe. However, I am mindful that the evidence shows that the company provided a total refund of £2,648.56. This figure should have been £2,660.60; a difference of £12.04. The evidence indicates that the £12.04 has now been paid. The company has not provided any clarification as to why there was a delay in refunding this £12.04. In the absence of which I find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

Customer service

20. The customer has raised a number of complaints about the customer service provided by the company. I will deal with each below.

21. I am satisfied that it is fair and reasonable for the company to have allocated one case manager to the customer's case who would take ownership of the complaint and deal with the dispute. In light of the feedback given by the customer to the company, I accept the company's submissions that the evidence shows that the customer was happy with the assistance provided by this individual. I therefore find no failing on the company's part in this regard.

22. The customer has not stated when requests were made to escalate the matter to a manager and when these were refused. In light of the positive feedback provided by the customer about

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his dedicated case manager, and in the absence of any evidence showing otherwise, I find no failing on the company's part in this regard.

23. The customer submits that after the company rejected his proposal of £3,000.00 compensation, which included the £2,460.00 refund, the company was "remote" and "difficult to manage". I acknowledge the customer's submissions. However, I am mindful that any negotiations or offers to settle are a business decision for the company alone to determine and falls outside the scope of WATRS. I am also particularly mindful that a company may refuse a settlement offer made by a customer, and it does not mean that the company has provided a poor level of customer service. The evidence shows that the company acknowledged the customer's request and made offers to the customer. I find no failing on the company's part in this regard.

24. However, I am inclined to accept, in part, the customer's complaint that the company sent misleading and inaccurate correspondence to CCW. For example, the evidence shows that the company informed CCW that the ADU used to calculate the refund was 0.21m³ when in fact, as discussed above, the ADU used was 0.25m³. In light of the company's Defence, I am also inclined to find that the company failed to give full and/or clear explanations in correspondence to CCW about the customer's complaint. I therefore find that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

Redress

25. In respect of the customer's request for a further refund of charges in the sum of £900.00, as discussed above, I am satisfied that the refund of £2,460.60 provided by the company was sufficient. The customer's request therefore does not succeed.

26. The customer's submissions also indicate that the customer is seeking a further sum of £500.00 to cover interest he may have obtained had he invested the money, (therefore £700.00 in total for interest). However, the customer does not state how he calculated this figure and has not submitted any evidence to support his claim. I am not satisfied that the customer has shown that the company should pay him a further £500.00 to cover interest lost. The customer's request therefore does not succeed.

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27. Finally, in respect of the remaining £500.00 compensation requested by the customer, I have found that the company failed to provide its services to the customer to the standard to be reasonably expected. Specifically: in the way it raises work on its systems for meter exchanges, which caused the customer confusion; by delaying in refunding the £12.04 with no explanation for the delay; and, by providing misleading and inaccurate correspondence to CCW about the customer's case. I am satisfied that the customer is entitled to a measure of compensation for the stress and inconvenience caused. However, I find that the amount claimed by the customer is disproportionate to the failing shown. Having carefully considered the evidence provided, I consider the additional sum of £150.00 to be a fair and reasonable level of compensation. No evidence has been submitted to this adjudication to support a larger sum of compensation. I therefore direct that the company pay the customer the sum of £150.00 in compensation.

Outcome

The company needs to take the following further action(s):

I direct that the company pay the customer the sum of £150.00 in compensation.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 31 October 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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**U Obi LLB (Hons) MCI Arb
Adjudicator**

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