

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0878

Date of Decision: 3 December 2018

Complaint

Without her knowledge, Direct Debits of a higher-than-expected amount were taken, causing the customer to become overdrawn (and she was charged for this by her bank). To cover a three-month period in 2016, she received a hugely-increased bill for £1200.00. Her salon business is very small. She does not see how £1200.00 can possibly have been correct. She would like her bill and Direct Debits to be restored to a normal level and also, reimbursement of: (1) all 'missed' Direct Debits; (2) £50.00 plumber's charges; (3) £50.00 bank charges; and (4) £7.30 postage charges.

Defence

The charges on the account are properly due and owing. The customer has been unable to offer any explanation for the increase in consumption. Checks were made but no leaks were ever found at the premises. Where high consumption is unexplained, the wholesaler has no policies that would permit the grant of an allowance in the customer's favour. £45.00 has already been credited to the customer's account in respect of the bank charges incurred. The company has offered an additional £180.00 in respect of other service failings (and Direct Debiting problems) but these gestures have been rejected.

No offer of settlement has been made.

Findings

The high consumption on the customer's account cannot be attributed to any fault or failing on the part of the company; no reduction to the customer's bills (or any amendment to the level of her Direct Debit payments) is justified; there were shortcomings in the company's service in its Direct Debiting procedures and missed collections of Direct Debits (due to system faults). On that issue, the company should pay compensation to the customer of £180.00.

Outcome

The company needs to take the following further action:

I direct the company to pay the customer the sum of £180.00 in compensation.

The customer must reply by 4 January 2019 to accept or reject this decision.

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Date of Decision: 3 December 2018

Party Details

Customer: []

Customer's representative: []

Company: [].

Case Outline

The customer's complaint is that:

- She runs a hair and beauty salon in [].
- She had been unaware that her Direct Debit payments were going to increase. Without her knowledge, Direct Debits of a higher-than-expected amount were taken and this caused her to become overdrawn (and she was charged for this by her bank).
- To cover the three-month period between 20 April 2016 and 20 July 2016, she received a bill for £1200.00. Prior to this, her payments were on average only around £30.00 per month.
- There are only two hairdressers working at the salon. She does not see how the £1200.00 Bill can have been correct.
- She arranged for a plumber to visit the premises in May 2017 to check for any leaks but none were found.
- In June 2017, a supply check was organised. The results of this check were that:
 - the customer was not on a shared supply; and
 - there was no leak at the premises;
- She would like her bill to be amended to a reasonable amount. In respect of the unexplained high consumption, she would like a gesture of goodwill to be applied to her account. This could be provided in a similar way to a 'leak allowance'.
- She would also like her Direct Debits to be reduced to the previous 'normal' amount.
- In addition, she claims reimbursement of the following items:

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- all of the Direct Debits, which were due in relation to the period between 7 November 2014 and 29 July 2015. These Direct Debits were ‘missed’ (i.e. not collected) by [] due to a problem with their systems; and
- £50.00 in respect of the charge that she incurred for engaging her plumber check for leaks; and
- £50.00 in respect of the bank charges that she incurred (when the company’s unexpected debits caused her to go overdrawn); and
- £7.30 in respect of recorded delivery postage that she paid.

The company’s response is that:

- Prior to the opening up of the water retail market on 1 April 2017, the customer was a [] business customer.
- The customer first made contact by telephone, on 16 February 2017, to advise that her Direct Debit had gone up but she had not been made aware in advance of the increase.
- On 25 October 2016, however, [] had sent a payment schedule confirmation letter to the customer outlining what her new payment amount would be.
- There was an issue with [] failing to collect Direct Debit payments between December 2014 and July 2015. This was caused by an error that occurred during the cleansing of the account in preparation for migration of the account from [] over to the company.
- [] failed to collect a total of eight payments of £20.74, totalling £165.92. The company has previously acknowledged this failing and offered a gesture of goodwill of £10.00 for each missed payment. However, this offer was rejected by the customer.
- As to the period of unexplained high consumption on the customer’s account between 20 April 2016 and 20 July 2016, it is noted that the customer is requesting that her bill is amended to an amount that is more in line with previous invoices. However, consumption on the account returned to normal after July 2016 and there have been no other issues or periods of high consumption since that occasion.
- The customer has been unable to offer any explanation for the increase in consumption. [] checked with ICC ([]’ emergency team for metering and leaks) and no issues had been reported during the period in question.
- [] (now the wholesaler) does not have any policies in place that state an allowance can be given for unexplained high consumption.
- The customer has asked for compensation of £50.00 to be given for two Direct Debit payments that she was unaware of, causing her to incur bank charges. In respect of this, the company

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has:

- given a gesture of goodwill of £25.00, on 21 June 2017, for the first occasion; and
- applied a further £20.00, on 2 August 2018, for the second.
- These gestures have been applied in good faith as the company had previously requested copies of bank statements as proof of these charges.
- The company cannot consider refunding the £50.00 plumber's charge because it is the customer's responsibility to rule out any possible leakage that there may be on their private pipes.
- In summary therefore:
 - consumption did increase over a period of three months but it then reduced back to previous levels;
 - a gesture of goodwill was offered of £100.00 for the failed Direct Debits and service shortcomings - but this was rejected.
 - as a gesture of goodwill, £10.00 was subsequently offered for each 'missed' Direct Debit (i.e. £80.00 in total) – but this was rejected.
- As to the £7.30 claimed for recorded delivery charges, the company cannot locate anything sent to it by recorded delivery.
- The customer's account balance is £1141.35 in debit. This is due and payable but as a gesture of goodwill, the company has offered an extended payment plan over 24 months.

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.

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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 have reviewed:
 - a. all of the materials attached to the customer's WATRS Application; and
 - b. the 'Evidence 1' and 'Evidence 2' items appended to the company's defence; and
 - c. the account breakdown and 'timeline' documents presented by the company.
2. I have also had the benefit of reading the customer's brief comments filed in response to the company's defence. These are contained in an email dated 14 November 2018.
3. In this case, the main point of concern stems from the dramatic increase in consumption at the premises between 20 April 2016 and 20 July 2016 ("the Relevant Period"). Looking at the company's 'Evidence 2' item, it seems clear that the consumption returned to 'normal' levels after July 2016.
4. The reason why the consumption increased so markedly during the Relevant Period remains unexplained. That much is common ground. An inspection by the customer's private plumber did not reveal any leaks. Also, following the supply check undertaken on 1 August 2017, I see that the company's entry in the timeline document records:

"... Engineer has confirmed that there is no leak on the meter and they do not know where the high consumption has come from ..."
5. I note that the customer comments that:
 - a. her salon has at all times been a very small-scale operation; and
 - b. there has been no particular change in activities at the salon (whether during the Relevant Period or at all).
6. I accept the customer's submissions on these points. Indeed, bearing these factors in mind, I quite appreciate the customer's disbelief at the £1200.00 bill that she received.
7. On the basis that (she contends) the £1200.00 charge cannot possibly be correct, the customer

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would like:

- a. the company to adjust her bill down to a more reasonable amount; and/or
 - b. a gesture to be applied to her account in the same way, for instance, that a leak allowance might be granted.
8. As I see it, for any reduction to the £1200.00 bill to be considered, the reason for the high consumption (during the Relevant Period) would need to be attributable to some clear failure on the part of the company. However, with checks for leaks having been carried out (and none having been found), I cannot find any such failure by the company in this scenario. Unless there is a plain explanation to the contrary, the assumption made is that any water passing through the meter has been recorded correctly. This, in effect, is the policy that the wholesaler adopts. I note that the company points to the wholesaler's policy as the basis for why a 'leak allowance' (or other similar gesture) cannot be applied to the customer's account, as she asks. I do not consider that the company's position can be viewed as an unreasonable one in the circumstances.
9. For the reasons mentioned above, I am not persuaded that any reduction to the customer's bills (or any amendment to the level of her Direct Debit payments) would be justified in this instance.
10. On the 'unexplained consumption' aspect, I am satisfied, therefore, that the company has provided its services to the customer in this matter to the standard that one would reasonably expect.
11. As regards the customer's claim for reimbursement of the £50.00 plumber's charge that she incurred, I accept the argument put forward by the company in response. I find it correct that customers have responsibility for locating and repairing leaks on their private pipework and I am not persuaded, therefore, that the company should be required to reimburse the customer for this outlay.
12. As to the bank charges that the customer incurred, I have examined the 'account breakdown' accompanying the company's defence. On the basis of that document, I am satisfied that £25.00 was in fact credited to the customer on 21 June 2017, with a further £20.00 on 2 August 2018. In respect of this head of claim, I do not consider that any additional payments by the company are called for.
13. As against the remaining strands of the customer's claim, I note that the company has made

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various offers on a 'gesture of goodwill' footing, as follows:

- a. £100.00 for the failed Direct Debits and service problems; and
- b. £10.00 for each 'missed' Direct Debit (i.e. £80.00 in total).

14. The company states that these offers were rejected by the customer. However, I regard the £100.00 and £80.00 sums - as offered originally - as reasonable. I find that this breakdown of fault in the collections/ payment systems:

- a. represented a significant failure in service; and
- b. caused inconvenience and confusion to the customer.

15. By way of reinstatement, I shall direct the company to pay to the customer the combined sum of £180.00 as compensation for the company's acknowledged failings in service in this regard.

16. Finally, on the evidence available to me, I have been unable to find a sufficient basis to require the company to reimburse to the customer the £7.30 recorded delivery charges that she claims. I do not, therefore, make any award in respect of the postage charges.

Outcome

The company needs to take the following further action:

I direct the company to pay the customer the sum of £180.00 in compensation.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 4 January 2019 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

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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.



Nik Carle, LLB (Hons), Solicitor, DipArb, FCIArb

Adjudicator

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