

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0919

Date of Decision: 12 November 2018

Complaint

The customer submits that it lets out office space to groups in the voluntary, community and faith sector. The rent covers the office space only, and an inclusive service charge covers contribution to water usage. It has owned the building since the late 1990's and has always received one invoice to cover water usage for the whole building. However, during a site area visit in 2014, [](RST) the wholesaler saw that there were other organisations on the complex and set up a surface water drainage account for each individual organisation. The company has refused to charge on a single surface water drainage band, as the wholesaler's Scheme of Charges allows for billing while the individual organisations are registered with the Valuation Office Agency (VOA) and have a 'beneficial' interest in the water. The company has also failed to provide a reasonable level of customer service. The customer requests that the company consider it for its concessionary discount scheme; provide statements of accounts and explanations/clarification in relation to these; provide an apology; cancel all bills currently outstanding and issue one invoice with a single surface water drainage charge for the whole building; and pay compensation for stress and inconvenience in the sum of £2,500.00.

Defence

The company submits that on a site visit it was noted that there was more than one business within the building and the VOA website supported this information. Additional accounts were created for the additional businesses as listed on the VOA. The customer was asked to advise when there were new tenants in the offices so that they could be invoiced. The customer did not provide an update with new tenant details. Another site visit was conducted in 2016 and this confirmed that the offices had tenants in them and so invoices were sent. The customer has been advised that due to there being separate listings on the VOA the additional accounts cannot be closed until the records were updated on the VOA. However, a bulk account was set up so that only one invoice was produced for all the individual offices. It would like to apologise for any inconvenience caused. However, it is unable to offer compensation as it provided the correct information and took the correct actions. It does accept that there were customer service failings and it applied a credit of £80.00 to the customer's account. No offer of settlement was made.

Findings

The company and RST, the wholesaler are separate entities. This adjudication

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can only consider the duty owed by the company to its customers. It falls outside of my remit to consider any claims or complaints against RST. The evidence shows that RST, and not the company, is responsible for deciding the surface water drainage charging basis for the customer's premises. The company's duty is to contact the wholesaler and raise any queries on behalf of the customer. The evidence shows that under the wholesaler's policy, a single chargeable area will only be allocated where a single business rating assessment is available; criteria that the customer does not meet. The company raised the matter with the wholesaler on the customer's behalf and met its obligations in this regard. However, the company provided a poor level of customer service when dealing with the customer's case.

Outcome

The company needs to take the following further action:

(1) The company should clearly confirm in writing to the customer that the account 4081[] is closed. (2) The company should pay the customer additional compensation in the sum of £300.00. (3) An authorised representative of the company should provide the customer with a written apology for its customer service failings.

The customer must reply by 10 December 2018 to accept or reject this decision.

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ADJUDICATOR'S DECISION

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Date of Decision: 12 November 2018

Party Details

Customer: []

Customer's Representative: []

Company: [].

Case Outline

The customer's complaint is that:

- The [] ('the Hub') lets out office space to groups in the voluntary, community and faith sector i.e. charities and community groups. The Hub is owned outright by [] (ABCVS), a registered charity and company limited by guarantee.
- The rent covers the office space only, and an inclusive charge covers contribution to the reception service, lighting, heating, and water usage in the public areas, i.e. toilets and washing facilities.
- ABCVS has owned the building since the late 1990's and has always received one invoice to cover water usage for the whole building. Although in 2014, [] (RST), the wholesaler, changed the way in which invoices were issued; this was challenged and the decision quickly reversed.
- Until 2014, the site had a single surface water banding (Band 4). It requested a review of the banding which resulted in the band being downgraded from Band 4 to Band 2, which was then backdated to April 2014. However, during a site area visit, the wholesaler saw that there were other organisations on the complex and set up a Band 1 surface water account for each individual organisation. And although these accounts were set up, they were not billed until October 2016. This is because a further unannounced visit resulted in the company realising that there were uncharged surface water drainage accounts, bills were then issued. At no point was there any notification of this or were any possible billing alternatives explained to it.

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- This change of billing in October 2016 resulted in a significant increase in overall charges for the same usage. It contested this. However, the company has refused to charge on a single surface water drainage band, as the Scheme of Charges allows for billing while the individual organisations/groups are registered with the Valuation Office Agency (VOA) and have a 'beneficial' interest in the water.
- The company has failed to provide a reasonable level of customer service in relation to the manner in which it dealt with the complaint and failed to sufficiently inform ABCVS about the billing options in relation to its site size. This has led to a long drawn out dispute lasting over 2 years.
- The customer requests that;
 - The company consider it again for its Concessionary Discount Scheme. It has been advised that if it were accepted, then it could have only one band which would mean one invoice.
 - The company should provide a statement for the last 10 years to show charges for water and payments made, and explain the sudden increase in annual costs in 2007 and then the large increase in 2013.
 - The company should provide an up-to-date statement of account for account no. 4081[] together with a clear indication or whether or not there are any monies outstanding on the account and confirmation as to whether this account is now actually closed.
 - The company should provide an up-to-date statement of account for account no. 6001[] together with a clear indication of any monies outstanding against that account and what period/s any outstanding monies are due.
 - The company should provide an apology for the significant amount of management time taken up with the matter for almost 2 years; distress of dealing with letters and visits from debt collection agencies; and damage to ABCVS's reputation due to visits from debt collection agencies.
 - The company should simplify its billing i.e. cancel all bills currently outstanding and issue one invoice with one standing charge for the whole building.
 - The company should pay compensation for stress and inconvenience in the sum of £2,500.00.

The company's response is that:

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- The customer contacted [] (RST) in September 2013 following amendments made to the account. The customer requested to make an application for the concessionary scheme and was advised that registered charities are not eligible for the scheme.
- Following a site visit it was noted that there was more than one business within the building and the Valuation Office Agency (VOA) website supported this information. Additional accounts were created for the additional businesses as listed on the VOA. The customer was asked to advise when there were new tenants in the offices so that they could be invoiced. The customer did not provide an update with new tenant details, so invoices for the additional accounts were not sent.
- Another site visit was conducted in 2016 and this confirmed that the offices had tenants in them and so invoices were sent for the additional accounts. The customer requested that the whole building was billed under one invoice due to the arrangement the business had with its individual tenants.
- The customer was advised that due to there being separate listings on the VOA the additional accounts could not be closed until the records were updated on the VOA. However, a bulk account was set up so that only one invoice was produced for all the individual offices.
- As the additional accounts have now been contested, the connections at the property have been reviewed. It is noted that there are now twenty-five separate assessments for the property showing on VOA. It has not yet opened any additional accounts for these, however, there is a possibility that they will be opened and charged for surface water highways drainage.
- It would like to apologise for any inconvenience caused. However, it is unable to offer compensation as it provided the correct information and took the correct actions. It applied a credit of £80.00 to the account on 18 April 2018 for service failings.

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.

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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?

Wholesaler and Retailer

1. In April 2017, the water market in England opened up to retailers, and all non-household customers were moved to a retail / wholesale structured service. The evidence shows that the company is the retailer and RST, the wholesaler. Retail companies and wholesale companies are separate entities. The customer only has a contractual relationship with the retailer. Under the Water Redress Scheme, a customer can only make a complaint against the company with which they have a contractual relationship with; that is, the retailer. Therefore, for the purposes of this decision, my remit is to determine the issues between the customer and the company. This adjudication can only consider the duty owed by the company to its customers. The company's duty is to contact and liaise with the wholesaler on the customer's behalf. It falls outside of my remit to consider any claims or complaints against RST. I must proceed on this basis.

Surface water drainage charging basis

2. The evidence shows that the wholesaler, and not the company, is responsible for deciding the surface water drainage charging basis for the customer's premises. Once advised of an issue the company owes a duty to the customer to contact the wholesaler and raise any queries on behalf of the customer.
3. I accept the excerpt of the wholesaler's Charges Scheme which confirms the information given by the company to the customer about the wholesaler's surface water drainage charging policy.

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4. The evidence shows that under the wholesaler's policy, a single chargeable area / site area charging band will only be allocated where a single business rating assessment is available. It is not in dispute that each occupant at the customer's premises has its own individual business rate, and that the customer's premises therefore does not fall under the wholesaler's criteria for charging on a single area basis.
5. I acknowledge the customer's submissions this method of charging according to individual registrations with the VOA does not allow for the fluidity of tenancies at its premises; the current occupation of the building; or the manner in which it bills its tenants. I also note that the correspondence submitted in evidence indicates that the customer believes that this adjudication can and will determine the site banding and the number of accounts for the premises. However, it falls outside of my remit to review the complaint in this regard. I am mindful that an adjudicator's remit under the Scheme is to determine whether a company has acted in accordance with its Charges Scheme. Further and importantly, as discussed above, the wholesaler, and not the company, is responsible for deciding the surface water drainage charging basis for the customer's premises. As such I cannot deal with any claim or complaints against RST.
6. The company's duty is to contact the wholesaler and raise queries on the customer's behalf. The evidence shows that the company contacted the wholesaler on the customer's behalf in relation to this issue; that the wholesaler confirmed the basis on which it is charging the customer for surface water drainage; and that this information was communicated back to the customer. The company has therefore fulfilled its duty in this regard.
7. I acknowledge the customer's claim and appreciate that it will be disappointed that the surface water drainage charging basis for its premises cannot be considered under this adjudication. However, I find no failings on the company's part in this regard.

Customer service

8. The customer has also raised a number of complaints about the customer service provided during the period of the dispute.
9. As discussed above, this decision can only consider the actions of the company. The company took over the customer's account from April 2017.

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10. It is not in dispute that the company delayed in responding to emails; misadvised the customer in relation to the deregistration of account; delayed in consolidating the individual contractor accounts; and failed to provide promised call backs. The company gave the customer a total credit of £80.00; £20.00 for each of these failings on 18 April 2018. The evidence also shows the company also admitted that it subsequently failed to respond to the later correspondence from the customer within the 10 working days required and gave the customer a further credit of £20.00 for this failing on 19 July 2018. I note that the company also admits that it delayed in allocating payment to an account which resulted in debt collection activity. The evidence shows that the company informed the customer that it had given the customer a further credit of £20.00 during its stage 1 response. However, the company has not clarified how this payment was made, as there is no evidence of this payment on the statement of accounts submitted by the company.
11. Further, the evidence shows that the company initially failed to give the customer correct information about the wholesaler's surface water drainage charging policy. The evidence also shows that when the company did respond to the customer's communications, it failed to give clear and/or full responses to a number of the customer's queries throughout the complaint period. There is no evidence, for example, that the company correctly or clearly informed the customer of its duties as the retailer. I am also particularly mindful that even at this late stage, the company's Defence to WATRS was unclear in that it did not fully address the customer's complaint or set out the company's position.
12. In view of the above, I accept the customer's submissions that the company failed to handle the complaint consistently and transparently, and that the manner in which the company handled the complaint led to a long drawn out dispute. I find that the company provided a poor level of customer service and failed to provide its services to the customer to the standard to be reasonably expected by the average person.
13. However, notwithstanding the above, the customer itself confirms that it was informed of the wholesaler's concessionary scheme in 2013, and information was provided on how to make an application. The customer also confirms that it was notified that the wholesaler was unable to process its application as it did not fall within the concessionary scheme criteria. I am therefore satisfied that the customer was aware of the wholesaler's concessionary scheme. For the avoidance of doubt, the Scheme Rules do not allow me to review the wholesaler's

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concessionary scheme, or to direct that the customer should be considered for inclusion in the scheme. I find no failing on the company's part in this regard.

Redress

14. In respect of the customer's request that the company consider it again for its concessionary scheme, as discussed above, the evidence shows that it is the wholesaler's concessionary scheme, and it is the wholesaler who determines the criteria for inclusion and whether or not an application meets this criteria. It falls outside my remit to consider the customer's request in this regard.
15. The customer requests that the company provide a statement for the last 10 years to show charges for water and payments made, and explain the sudden increase in annual costs in 2007 and then the large increase in 2013. The company has explained the increase in 2013. However, the company has only provided statements from 2012, and states that it cannot provide an explanation for the increase in 2007. The company states that in line with statute it is not required to hold records for longer than six years. I accept the company's submission that it is not legally obliged to keep records for longer than six years. The company is unable to fulfil the customer's request on this basis, and I can make no direction.
16. The company has submitted a statement of account for account no. 4081[]. I am satisfied that this statement shows that there are no monies outstanding on the account. However, the company should clearly confirm in writing to the customer that the account is closed.
17. Similarly, the company has submitted a statement of account for account no. 6001[]. I am satisfied that this statement shows the monies outstanding against that account and what period/s any outstanding monies are due. I therefore make no further direction.
18. The customer requests that the company simplify its billing; i.e. cancel all bills currently outstanding and issue one invoice with one standing charge for the whole building. The evidence submitted shows that the contractor invoices have been merged and that the customer is being billed under one invoice. However, in relation to the customer's request for only one standing charge for the whole building, as discussed above, the wholesaler, and not the company, is responsible for deciding the surface water drainage charging basis for the customer's premises. The evidence shows that under the wholesaler's policy, a single

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chargeable area will only be allocated where a single business rating assessment is available; criteria that the customer does not meet. The company met its obligations to raise the matter with the wholesaler on the customer's behalf and communicate the wholesaler's policy back to the customer; albeit that it provided a poor level of customer service in the process, which I will deal with below. The customer's request for a single standing charge for the whole building cannot be considered.

19. In respect of the customer's claim for compensation, in light of my findings above, that the company provided a poor level of customer service, I am satisfied that the customer is entitled to a measure of compensation for the stress and inconvenience suffered as a result. Having carefully considered the evidence submitted, I am not satisfied that the £100.00 credited to the customer's account is sufficient to cover the failings shown. In addition, as discussed above, I find that there are additional failings on the company's part which were not taken into account and/or had not arisen when the company provided the customer with £100.00 credit. It is also not clear that the company provided the customer with some of the compensation promised. However, I find that the £2,500.00 claimed by the customer is disproportionate to the failings shown. Having carefully considered the matter, I consider the additional sum of £300.00 to be fair and reasonable in the circumstances. I therefore direct that the company pay the customer additional compensation in the sum of £300.00. This aspect of the customer's claim succeeds but only in part.
20. In respect of the customer's claim for an apology, in light of my findings above that the company provided a poor level of customer service, I find that it would be fair and reasonable to direct that an authorised representative of the company provide the customer with a written apology. Accordingly, the customer's claim in this respect succeeds.

Outcome

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

(1) The company should clearly confirm in writing to the customer that the account 4081[] is closed. (2) The company should pay the customer additional compensation in the sum of £300.00. (3) An authorised representative of the company should provide the customer with a written apology for its customer service failings.

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What happens next?

- This adjudication decision is final and cannot be appealed or amended.
 - The customer must reply by 10 December 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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Adjudicator

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