

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1018

Date of Decision: 9 October 2018

Complaint

The customer submits that she has been overcharged due to a faulty meter. This showed high usage after a leak had been repaired and usage recorded on the new meter is lower. The customer calculates that the meter had been overcharging her and that she is owed around £13,623.00 as overcharges.

Defence

The customer's property has a master and sub structure with three meters at the site. There have been several leaks at the site. The customer received a leakage allowance in 2000. The wholesaler will not grant any further allowances. The company denies that the customer has been overcharged for the consumption recorded on the master meter. Leaks reported by the customer correspond with periods of increased consumption. The company applied credits totalling £930.96 for an issue with billing for the sub-meters; the actual overcharge was £298.59 meaning the customer has been over compensated. The company denies that the customer has been charged incorrectly or that she is entitled to compensation.

Findings

The usage recorded on the meter showed a large increase related to the leak on the customer's property. However, the recorded use prior to the leak was consistent with normal use. The use recorded on the new meter was not significantly different from that recorded after the leak was repaired. The meter had also tested within normal tolerances and was not faulty. The company had not overcharged for water and there was no basis for the company to request the wholesaler review a leak allowance. The billing in respect of the sub-meters was clearly disordered and confusing. However, it had resulted in a large over-credit that I find was proportionate to the billing and customer service failures over the duration of the dispute.

Outcome

The company needs to take the following further action: Ensure that the erroneous credit of £632.37 remains on the customer's account.

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

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ADJUDICATOR'S DECISION

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Date of Decision: 9 October 2018

Party Details

Customer: []

Company: []

Case Outline

The customer's complaint is that:

- The customer states that her complaint commenced in 2014 when sub-meter deductions were not being taken from her account. The customer then incurred excessive charges for water up to June 2017. Historic invoicing shows the customer uses up to 12 units of water per day. Since 2014, the amount has increased dramatically to the point of the customer requesting a meter accuracy test. From April 2014 to 20 June 2017, the usage was recorded as an average of 23 units per day. On 21 June 2017, this increased to 61 units per day, indicating a leak. The customer repaired the leak and a new meter was fitted on 27 June 2017. The new meter has recorded usage of between 8 and 13 units per day. The old meter was tested by the manufacturer and appeared to have no fault, however an independent test may have proved otherwise. No circumstances have changed, yet the new meter records consistently less usage. The customer has spent many hours attempting to resolve the matter with the company. Charges added to the customer's account have resulted in 63 invoices and credit notes from January 2015 to May 2018. Most of these were added since January 2018, causing confusion and inconsistency. The customer has calculated that she has been overcharged by an average of 5 units per day, equating to £13,523.00 between January 2014 and October 2017.
- The customer requests removal of £13,523.00 of charges, to be given 12 months to catch up on any outstanding payment, and £450.00 in compensation for the time spent corresponding and calculating errors.

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The company's response is that:

- The company states that the customer's farm has three meters: a master meter and two sub-meters that supply two domestic properties. There have been several leaks at the site. A customer is entitled to be offered a one-off allowance for an underground leak on the direct supply to a domestic element. The customer received this allowance in 2000. The wholesaler will not grant any further allowances. The company has reviewed the customer's account and invoicing. There has been no overcharge on the consumption recorded on the master meter and the deduction of the sub meters is correct. The customer has made the company aware of leaks on the private side of the meter, which are the customer's responsibility to repair. There are periods of increased consumption that correlate with reported leaks. The company has applied credits between 21 November 2013 and 18 May 2016 totalling £930.96. After a review, the customer had been overcharged by £298.59. The customer has therefore received an additional credit of £632.37. The company submits that the customer has been correctly charged for the water that passed through the meter. The company does not compensate for time. If the customer wishes to set up a 12 month payment plan, this would be £2360.73 per month.

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. The customer submits that she has been overcharged by the company. The basis for this is that the meter, number 13A0[], (the Disputed Meter) has recorded greater average usage than the previous or subsequent meter.
2. For the avoidance of doubt, the WATRS adjudication is between the customer and the company, in its role as water retailer. I am not able to review any actions taken by the wholesaler, nor make any direction in respect of the wholesaler. I am only able to review the actions of the company as retailer, including how it has represented the customer's interests to the wholesaler; however, I am not able to make any findings in respect of the wholesaler itself.
3. The customer's property is served by a master meter, with two sub-meters recording usage to two properties that are billed separately. The sub-meter readings are therefore deducted from the master meter readings when calculating the customer's water bill.
4. The customer's account experienced incorrect billing from May 2012 to July 2014, as the sub-meter usage was not deducted from the customer's account. This related to a change in the billing system used by the company's predecessor.
5. The Disputed Meter, 13A0[], was fitted to the customer's property in January 2014 and was removed on 27 June 2017.
6. The company has provided me with a full breakdown of the meter readings on the main meter and the two sub-meters. Reviewing only the meter readings marked 'A', for 'actual', I find that, aside from a spike of an average of 19.53 units per day around April 2015, the recorded usage on the Disputed Meter remained fairly consistent, between an average of 5 and 12 units per day.
7. The meter reading for October 2016 indicated an increased daily usage of 18 units, and this increased to over 40 units per day by the time the Disputed Meter was replaced on 27 June 2017. I note that, at this time, the customer found a leak in the pipe and had this repaired on or around 23 June 2017.
8. In reviewing the meter readings provided by the customer for 22, 23, 26 and 27 June 2017, I find that the usage dropped from 31 units based on the 22 June 2017 reading, the leak being

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repaired on 22 or 23 June 2017, to 16 units per day based on the 26 June 2017 reading covering 23-26 June 2017.

9. I acknowledge that the customer states that her contractor, used to repair the leak, advised that the Disputed Meter seemed to still be over-recording the water flow. I find that the data between the leak repair and the replacement of the Disputed Meter is extremely limited as these events occurred within five days of each other. However, the usage recorded by the 26 June 2017 reading is consistent with the usage recorded based on the April 2015 meter reading, and use recorded between November 2012 and January 2013 on the previous meter of an average of 22 units per day.
10. I acknowledge the customer's submissions that use recorded on the new meter, fitted on 27 June 2017, was lower than that recorded on the Disputed Meter immediately prior to replacement. However, I note that the first new-meter reading on 18 July 2017 provides a daily consumption of 11.5 units. The latest reading, taken on 11 July 2018, provides a daily consumption of 13.32 units. I find that, whilst there was a reduction in the usage recorded on the new meter, this was within the normal limits of the customer's average use. This is particularly the case as the period recorded on the Disputed Meter following repair of the leak was only between 23 and 27 July 2017; during a short period, any normal fluctuation in daily use may be artificially amplified when viewed as an average.
11. I also note that, when the meter was replaced, the Disputed Meter was tested. Whilst it was tested by the manufacturer, I am not persuaded that the evidence indicates conclusively that there must have been a fault in the Disputed Meter recordings, such that the validity of the manufacturer's test would be called into question. The water meter test found that with a slow water flow, accuracy was a 0.50% meter error, whilst a fast water flow resulted in a meter error of 1.64%. The maximum permissible error for each flow test was $\pm 2.5\%$.
12. In view of this, I find, on the balance of probabilities, that there was no error in the usage recorded by the disputed meter. I therefore find no basis for the company to remove any charges from the customer's account. As there is no evidence of any fault with the meter, I also find that there is no basis for the company to request the wholesaler review whether the customer may be entitled to a leakage allowance.

13. The customer has also requested compensation for the time spent corresponding with the company and calculating errors. I find that this aspect of the claim relates to the entire billing history on the account, including the incorrect billing from May 2012 to July 2014 relating to the sub-meters.
14. In reviewing the evidence, I find that the billing on the customer's account became very disordered. The company and its predecessor incorrectly billed the customer in May 2012 by failing to remove usage on the sub-meters. It then made numerous attempts to correct these errors, with the billing issue being resolved in July 2014. The final adjustment made in respect of the sub-meter billing was made on 18 May 2016, almost two years after the billing issue had been rectified.
15. The company has adjusted the customer's billing and, in reviewing the evidence, I am satisfied that it has now fully corrected the account, ensuring that the customer has been charged for usage on the main meter, less the usage recorded on the sub-meters. However, in doing so, the company has removed numerous invoices and credit notes (at one time there were 63 invoices and credit notes on the account), resulting in a bill for the period 29 April 2014 to 19 January 2018 in the sum of £38,986.14.
16. I find that the scale of the company's billing errors is clearly evident in the steps required to correct them. I am satisfied that the customer's billing was incorrect, unreliable and confusing from May 2012 until January 2018, a period of nearly six years. I find that this amounts to a failure by the company and its predecessor to provide services to the standard to be expected of a reasonable water provider.
17. However, I find that the underlying issue of the sub-meter usage not being deducted from the account was properly resolved from July 2014. I have also found that the usage recorded on the Disputed Meter was accurate and properly billed for.
18. I note that, in its efforts to resolve the billing issues, the company applied credits totalling £930.96. The total amount of the overcharges due to the sub-meter issue was £298.59. The customer has therefore received excess credits of £632.37. I find that this must be taken into consideration when determining if the customer is entitled to compensation.

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19. I am satisfied that the customer service provided by the company and its predecessors has been poor at times, in particular with regard to its attempt to correct the billing errors. I find that the billing issues also resulted in the customer being advised that there was likely a leak on her pipework, when the billing discrepancy was a mixture of non-leak-related increased usage and the numerous, confusing billing adjustments. There is also a clear confusion in respect of the layout of the customer's property with the company's notes stating that there was a leak on the customer's pipework under the M[] motorway; the customer's property is next to the M[] and the pipework does not cross the motorway.

20. However, I find that the additional credits applied to the customer's account in error are proportionate to the scale of the confusion, stress and frustration caused by the company through the billing errors. I am not persuaded that the passenger is entitled to any further sum of compensation. However, I direct the company to ensure that the erroneous credits totalling £632.37 remain on the customer's account.

Outcome

The company needs to take the following further action: it shall ensure that the erroneous credits totalling £632.37 remain on the customer's account.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 6 November 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.



Alison Dablin, LLM, MSc, MCIArb

Adjudicator

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