

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1031

Date of Decision: 29 January 2019

Complaint

The customer submits that he received a bill from the company in November 2017 stating that he owed money for 12 months' worth of drainage charges. All water services were previously billed through [] Water (RST). It appears that his waste water account was automatically transferred to the company when the business market opened. He did not sign a contract to be supplied by the company and he did not receive any correspondence from the company. He did not want two separate bills or two separate Direct Debits. He has received poor customer service from the company. The customer requests that the outstanding balance on the account of £273.34 is removed as he does not believe that he is liable for these charges as he never entered into a contract with the company.

Defence

The company submits that prior to the market opening on 1st April 2017, the customer was invoiced for all his water services by RST. Upon market opening the waste water account was transferred to it. Correspondence was sent to all customers to explain who it was, and the impact the changes would have on customers. It also provided advice on how to switch retailers to continue receiving just one invoice. The delay in invoicing the customer was due to data missing during the migration of the account onto its systems. A gesture of goodwill of £20.00 was applied to the customer's account for the late billing. A further gesture of goodwill of £20.00 was applied for incorrectly informing the customer that he could not transfer his supply to another retailer until the balance was paid in full.

Findings

The company is the retailer and RST is the wholesaler. When the non-household retail market was opened in April 2017, water companies that previously served retail non-household customers applied to the Department for Environment, Food and Rural Affairs (DEFRA) for permission to transfer all their business customers to one or more retailers. The evidence indicates that the wholesaler's application to DEFRA to transfer its non-household customers' account to the retailer was approved. There is no evidence to show that DEFRA required that express consent from each customer must be obtained in order to transfer their services to the company and/or enter their businesses into a contract with the company. For the avoidance of doubt the WATRS scheme is limited in scope and I have no power to investigate or review the

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non-household retail market opening process. The customer is liable to pay the waste water charges billed by the company. The company provided a poor level of service during the complaints process and therefore failed to provide its services to the standard to be reasonably expected in this respect. I acknowledge that the company has already provided some compensation. However, I find that some of the compensation is not sufficient and does not take into account a number of different issues.

Outcome

The company needs to take the following further action:

I direct that the company pay the customer further compensation in the sum of £60.00.

The customer must reply by 26 February 2019 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1031

Date of Decision: 29 January 2019

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- He received a bill from the company in November 2017 stating that he owed money for 12 months' worth of drainage charges.
- All water services were previously billed through [] Water (RST). It appears that his waste water account was automatically transferred to the company when the business market opened.
- He did not sign a contract to be supplied by the company and he did not receive any correspondence from the company. The only correspondence received were bills and demands for payment, after at least 12 months after the business market had opened.
- He did not want two separate bills or two separate Direct Debits. He wanted to be billed by one company, as he was prior to market opening. It is easier for one bill to be received and one payment to be made.
- He believes that he has received poor customer service from the company and has been offered very little explanation as to why he was switched to the company without his consent. In addition, the company incorrectly informed him that he was precluded from choosing an alternative retailer until the balance of charges were paid.
- In order to resolve the situation, he has requested that the company clear the outstanding balance. However, the company has refused to clear the bill.
- The company has credited his account with £40.00 as a gesture of goodwill - £20.00 each for late responses. This has left an outstanding balance of £273.34.

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- He has now reverted to [] (ABC) where he is receiving one bill for both water and waste water charges.
- The customer requests that the outstanding balance of £273.34 is removed. He does not believe that he is liable for these charges as he never entered into a contract with the company.

The company's response is that:

- Prior to the market opening on the 1st April 2017, the customer was invoiced for all his water services by RST. Upon market opening the waste water account was transferred to it.
- Correspondence was sent to all customers to explain who it was, and the impact the changes would have on customers. It also provided advice on how to switch retailers to continue receive just one invoice.
- The delay in invoicing the customer was due to data missing during the migration of the account onto its systems. It was unable to bill the account until all the information had been migrated onto its systems. As soon as it was able to invoice the account it did so. It issued an invoice on 18 October 2017 for £313.18. A gesture of goodwill of £20.00 was applied on 12 July 2018 to the customer's account due to the late billing.
- It incorrectly advised the customer by telephone and confirmed by email on 6 December 2017 that the balance would need to be paid in full before he would be able to transfer his supply to another retailer. A further gesture of goodwill of £20.00 was applied on 12 July 2018 for this error.
- The customer also advised that he had received a poor level of customer service. Having carried out a review of the account it can confirm that all correspondence has been responded to in a timely manner and within its service level agreement.
- Both the customer and his partner confirmed by email that they accepted that the balance was outstanding but remained unhappy at being billed for 12 months at once. On several occasions it has advised about different payment options and offered an extended payment arrangement over 12 months. However, no contact has been received to set up a payment plan.
- During stage 1 and 2 of its complaint process it placed a hold on the account until 30 September 2018, to prevent any collection activity. Once it had completed its investigations and advised the customer's partner that the outstanding balance was due and payable, it commenced collection activity on the account.
- It apologises for the inconvenience caused by the billing issue. The compensation applied is fair and in-line with its current processes. The balance on the account is due and payable.

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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?

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.
2. The company is the retailer and RST is the wholesaler. Retail companies and wholesale companies are separate entities. The customer has a contractual relationship with the retailer only. Under the Water Redress Scheme, a customer can only make a complaint against the company with whom 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.
3. It falls outside of my remit to consider any claims or complaints against RST.

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Contractual relationship with the company and liability to pay bill

4. I acknowledge the customer's submissions that he does not believe that he is liable for the charges as he did not enter into a contract with the company. However, when the non-household retail market was opened in April 2017, water companies that previously served retail non-household customers applied to the Department for Environment, Food and Rural Affairs (DEFRA) for permission to transfer all their business customers to one or more retailers. The evidence indicates that the wholesaler's application to DEFRA to transfer its non-household customers' account to the retailer was approved. There is no evidence to show that DEFRA required that express consent from each customer must be obtained in order to transfer their services to the company and/or enter their businesses into a contract with the company. For the avoidance of doubt the WATRS scheme is limited in scope and I have no power to investigate or review the non-household retail market opening process.
5. Further, the account notes submitted by the company in evidence show that the customer confirmed that he had spoken to the wholesaler who had in turn confirmed that it had not billed the customer for the relevant waste water charges and that payment was due to the company, albeit that it was of the view that the company should not have requested a lump sum payment.
6. Consequently, in light of the above and in the absence of any evidence showing otherwise, I find that the customer was in a contractual relationship with the company. In addition, there is no evidence to show that the company has billed the customer incorrectly. There is therefore no evidence to show that the customer is not liable to pay charges billed by the company.

Customer service

7. The company has submitted in evidence a copy of a letter it states was sent to all customers explaining who it was and what impact the market opening would have. However, there is no evidence that this was sent to the customer. I am mindful that there is no name or address on the letter. Therefore for the purposes of this adjudication, in the absence of any evidence showing otherwise, I am not satisfied that the company can rely on this document as evidence to show that information about its role and market opening changes was correctly sent. I therefore find that the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

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8. The evidence shows that after the customer first contacted the company by email to raise a complaint on 1 November 2017, the company acknowledged receipt of the complaint on 2 November 2017 and issued a full response on 14 November 2017. Attached to this response was a copy of the company's Open Market letter, discussed above. I am satisfied that in its full response, the company explained who it was and what impact the market opening would have. The evidence also shows that during the complaints process the company responded to all of customer's written correspondence within the 10 working days required. I find no failings on the company's part in this regard.

9. It is not in dispute that the company delayed in billing the customer and failed to invoice the customer until October 2017. I find that companies have a duty to notify customers of charges levied on their accounts. The company states that the delay was due to data missing during the migration of the account onto its systems. The company have not provided evidence to show that RST and not it was responsible for this issue. Therefore in the absence of any evidence showing otherwise, I find that the company failed to provide its services to the customer to the standard to be reasonably expected in this regard. I also note that the account notes indicate that the customer did not receive the invoice but received a debt collection letter requesting payment of twelve months' worth of charges with immediate effect instead, and that the company had to email a copy of the invoice on 14 November 2017. It is also not clear that the company offered the customer a payment plan until 6 December 2017, a month after the complaint was first raised. I note that the company applied £20.00 to the customer's account for the delay in invoicing as a gesture of goodwill. However, I am not satisfied that this is a sufficient level of compensation for the distress and inconvenience caused by the errors shown. I also note that this goodwill gesture was only applied until 12 July 2018, some eight months after the complaint was first raised. I find that the company should pay the customer further compensation. I will return to this in my findings for redress below.

10. The company also admits that it incorrectly informed the customer that he would not be able to move to an alternative retailer until the outstanding balance on the account was paid. I find that the company failed to provide its services to the customer to the standard to be reasonably expected in this regard. However, the company applied £20.00 to the customer's account as compensation for this error. I am satisfied that this was appropriate and sufficient.

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Redress

11. In respect of the customer's request that the company remove the outstanding balance of £273.34 from his account, as discussed above, the evidence shows that the customer is liable to pay the waste water charges billed by the company.
12. However, in light of my findings that the company failed to show that information about its role and market opening changes was correctly sent and bearing in mind poor level of service provided in relation to the billing, I am satisfied that customer is entitled to a measure of compensation. Having carefully considered the matter, I find the sum of a further sum of £60.00 to be a fair and reasonable level of compensation in the circumstances. I therefore direct that the company pay the customer further compensation in the sum of £60.00. This direction is made in accordance with WATRS Rule 6.6 which provides that an adjudicator can award more than has been claimed by the customer in exceptional circumstances.

Outcome

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

I direct that the company pay the customer further compensation in the sum of £60.00.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 26 February 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 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.

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- 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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