

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1038

Date of Decision: 16 November 2018

Complaint

The customer submits that the company incorrectly set up her Direct Debit and took payments in excess of what had been agreed; refused to return a bond payment once she had paid the account in full; provided unclear bills; placed her in the wrong charging band from the start of her occupation, but will only apply a rebate from 1 April 2018; and, has failed to respond to a request that it review her sewerage charges. The customer requests that the company refund the total overpayment for charges raised against the incorrect chargeable area. The customer also requests that the company confirm that the sewerage charges of £345.63 are correct.

Defence

The company submits that it set up the Direct Debit incorrectly when the account was first set up. It offered the customer a £20.00 goodwill gesture as an apology and resolution to the complaint. This was accepted and the complaint was closed. Bond payments are held on the account for a period of 12 months. A bond payment cannot be refunded unless an account is closed or a final invoice has been paid. The customer believed that she fell into "final invoice" category as she had paid in full for the year's water. However, a final invoice is one that is issued following an account being closed due to either a change of retailer or a change of occupier at the property. The customer's bill provided separate charges for each year, and it also subsequently issued two separate bills as requested to clarify the matter. It raised the customer's complaint about the charging band rebate with the wholesaler. However, the wholesaler declined to back date the charges prior to 1 April 2018. The customer's sewerage account is held with [] (RST) who are also part of its business; however, it operates on an entirely different system at present and so it has no access to the customer's sewerage account. No offer of settlement was made.

Findings

The company and the wholesaler are separate entities. This adjudication 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 the wholesaler. The company admits that it set up the customer's Direct Debit incorrectly. The company has issued the customer with a refund of the overpayment and paid the customer £20.00 as a compensation for the error. I am satisfied that this was appropriate. I accept the company's submissions that a final invoice is one

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that is issued following an account being closed due to either a change of retailer or a change of occupier at the property; criteria that the customer does not meet. However, the customer had to chase the company for a refund of the bond over a month after the bond should have been repaid. The bill 474[] issued by the company on 29 March 2018 was also unclear. I therefore find that the company failed in its obligations to the customer in these regards. However, I find that the actions taken by the company to remedy these failings were appropriate. The evidence shows that RST, and not the company, is responsible for deciding the 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 company met its obligations. It falls outside my remit to consider the customer's request in this regard.

Outcome

The company needs to take the following further action:

In respect of the customer's request that the company confirm that the sewerage charges of £345.63 are correct, I find that it would be fair and reasonable for the company to escalate the customer's complaint to the part of its business that deals with her sewerage account, or provide the customer with information on how to contact that part of its business, or, if it is unable to do so, provide the customer with an explanation as to why it cannot.

The customer must reply by 14 December 2018 to accept or reject this decision.

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ADJUDICATOR'S DECISION

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Date of Decision: 16 November 2018

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- The customer set up a business on 14 June 2017. She notified the company of her occupancy and was informed that her total annual water charges would be £284.00. She was informed that she could pay charges by monthly Direct Debit at £23.00 per month, and that a bond of £69.00 would be required as it was a new business venture.
- The company took £144.32 on 16 November 2017, £84.56 on 23 November 2017 and £81.82 on 22 February 2018. These amounted to a total of £310.70 which exceeded the amount she was initially told she would have to pay.
- The company eventually agreed to refund £56.30 and gave her a goodwill payment of £20.00 for poor customer service. However, the company refused to refund the customer's bond payment even though its terms and conditions stipulate that once an account is paid in full the bond will be returned.
- On 29 March 2018, she received a new bill for £340.54 for charges between 29 May 2017 and 28 February 2019. She raised concern about the lack of transparency of the company's charges; requested a bill for the year going forward only; and asked the company to explain how the bill was calculated and how it had assessed her water band.
- The company then informed her that the band had been reassessed and the property was now Band 1 instead of Band 2, but that this would only take effect from 1 April 2018.
- The company had placed her in the wrong band from the start of her occupation but are now refusing to refund the overpayment made from 29 May 2017 to 31 March 2018.

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- Following the involvement of the Consumer Council for Water (CCW), the bond was returned but the issue of the backdated bill for incorrect chargeable area remains in dispute.
- The company was also requested to review sewerage charges of £343.63, but to date she has had no response. The company are now threatening to disconnect the water supply as these charges have not been paid as she is awaiting the outcome of the decision regarding the overcharging.
- The customer requests that the company refund the total overpayment for charges raised against the incorrect chargeable area. The customer also requests that the company confirm that the sewerage charges of £345.63 are correct even though the charge for the water supply have gone down.

The company's response is that:

- When the account was set up it was agreed the customer would pay by a monthly Direct Debit; however, the Direct Debit was incorrectly set up as variable, meaning the full bill amount was debited. It spoke to the customer on 15 March 2018 and offered her a £20.00 goodwill gesture as an apology and resolution to the complaint. This was accepted and the complaint was closed.
- Bond payments are taken where there is no previous financial history on a business, irrespective of payment method. Once taken, they are held on the account for a period of 12 months.
- When the account was set up, the bond was explained and the customer was advised that this payment would remain on the account for 12 months. The bond of £69.00 was subsequently taken on 14 June 2017. A bond payment cannot be refunded unless an account is closed or a final invoice has been paid. The customer advised that she felt that she fell into the "final invoice" category as she had paid in full for the year's water. However, a final invoice is one that is issued following an account being closed due to either a change of retailer or a change of occupier at the property. It received communication from the customer on 17 July 2018 querying the refund of her bond payment. This was refunded into the customer's account on the same day.
- A third complaint was logged following contact from the customer on 19 April 2018. The customer was unhappy following the receipt of a bill as it covered two years of charges and the banding was also disputed. It requested that the wholesaler review the assessed charge band. It also sent an email to the customer explaining that her bill provided separate charges for each year, and it also subsequently issued two separate bills as requested.

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- It received confirmation that the wholesaler had reduced the banding to a Band 1 with effect from 1 April 2018. Following a complaint from the customer that the Band 1 change was only backdated to 1 April 2018, it raised a complaint with the wholesaler. The wholesaler declined to back date the charges prior to 1 April 2018. Under the Wholesale Schedule, when [] Water Limited (PQS) agrees to a change to a chargeable area measurement that results in a change to a charging band, this change will be applied from the later of the 1 April in the charging year in which the claim was made or the date on which the customer became responsible for charges for that site.
- The customer's sewerage account is held with [] (RST) who are also part of [the company]; however, it operates an entirely different system at present and so it has no access to the customer's sewerage account.

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.

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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 PQS trading as [] Water (XYZ) is 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, it falls outside of my remit to consider any claims or complaints against PQS or XYZ.

Direct Debit

2. The company admits that it set up the customer's Direct Debit incorrectly. 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.
3. The company has issued the customer with a refund of the overpayment and paid the customer £20.00 as a compensation for the error. I am satisfied that this was appropriate.

Bond payment

4. The company submits that bond payments are kept on account for 12 months and cannot be refunded unless an account is closed or a final invoice has been paid.
5. I note the customer's submissions that as she had paid in full for the year, she fell into the "final invoice" category. However, I accept the company's submissions that a final invoice is one that is issued following an account being closed due to either a change of retailer or a change of occupier at the property; criteria that the customer does not meet. I therefore find no failing on the company's part in this regard.

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6. However, the bond was paid on 14 June 2017. It should therefore have been refunded back to the customer on 14 June 2018, or shortly thereafter. It is not in dispute that the customer had to contact the company on 17 July 2018; over a month later, chasing for payment. The company has not shown that it was fair and reasonable for the customer to have to chase for payment. 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.
7. However, I note that following the customer's complaint, the company issued a refund immediately and paid the customer a sum of interest for the delay, as requested. I find that this was appropriate.

Bill covering two years of charges

8. I note the company's submission that its Bill 474[] issued on 29 March 2018 provided separate charges for 2017-2018 and 2018-2019. However, I accept the customer's submissions that it is not immediately clear on the bill which charge relates to which year. 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.
9. However, following the customer's complaint I note that the company issued two separate bills clearly showing the charges for 2017-2018 and 2018-2019. I am satisfied that this was appropriate.

Banding

10. The evidence shows that the wholesaler, and not the company, is responsible for deciding the charging basis for the customer's premises.
11. The company's duty to the customer is to contact the wholesaler and raise any queries on behalf of the customer.
12. I accept the excerpt of the wholesaler's Schedule that confirms the information given by the company to the customer about the wholesaler's rebate policy.

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13. The evidence shows that under the wholesaler's policy, a change to a charging band will only be applied from the later of the 1 April in the charging year in which the claim was made, or the date on which the customer became responsible for charges for that site. The customer's situation falls under the former category. The company further submits that the assessed bands were applied with the best of the wholesaler's knowledge based on the premises/business type, and customers are given the opportunity to challenge their band if they do not agree. The onus is on customers to advise and challenge the banding applied in a timely manner; a bill was issued in October 2017 but a request for a review was not made until 19 April 2018.
14. I acknowledge the customer's submissions that it was the wholesaler who placed her in the incorrect band, and was at fault. However, it falls outside of my remit to review the complaint in this regard. As discussed above, the wholesaler, and not the company, is responsible for deciding the charging band. 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 and raised the complaint on behalf the customer; and that the wholesaler confirmed the basis on which it is charging the customer. The company has therefore fulfilled its duty in this regard.
15. I acknowledge the customer's claim and appreciate that she will be disappointed that the issue of the banding rebate cannot be considered under this adjudication. However, the company has not failed in its obligations in this regard.

Sewerage charges

16. The customer submits that she also requested that the company review its sewerage charges of £343.63, but to date she has had no response.
17. I note the company's submission that the customer's sewerage account is held with RST, and although RST is a part of it, it operates an entirely different system at present and so it has no access to the customer's sewerage account. However, I am not satisfied that the company has provided its services to the customer to the standard to be reasonably expected by the average person in this regard. The company itself submits that they are one and the same company. I find that it would have been fair and reasonable for the company to have escalated the customer's request to that part of its business or at least provide the customer with information on how to contact the part of its business that deals with her sewerage account. I find that the company has failed to provide a reasonable level of customer service in this regard.

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Redress

18. In respect of the customer's request that the company refund the total overpayment for charges raised against the incorrect chargeable area, as discussed above, the wholesaler, and not the company, is responsible for deciding the charging basis for the customer's premises. The company met its obligations to raise the complaint with the wholesaler on the customer's behalf. It falls outside my remit to consider the customer's request in this regard. I am unable to direct the remedy asked for.
19. However, in respect of the customer's request that the company confirm that the sewerage charges of £345.63 are correct, I find that it would have been fair and reasonable for the company escalate the customer's complaint to the part of its business which deals with her sewerage account or provide the customer with information on how to contact that part of its business, or, if it is unable to do so, provide the customer with an explanation as to why it cannot.

Outcome

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

In respect of the customer's request that the company confirm that the sewerage charges of £345.63 are correct, I find that it would be fair and reasonable for the company escalate the customer's complaint to the part of its business that deals with her sewerage account, or provide the customer with information on how to contact that part of its business, or, if it is unable to do so, provide the customer with an explanation as to why it cannot.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 14 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

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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.



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Adjudicator

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