

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1086

Date of Decision: 6 December 2018

Complaint

The customer's domestic water account was wrongly transferred to the company. The company then continued to pursue him for a bill for £540.00, despite being de-registered from the non-household market. The company's offer of £100.00 does not reflect the stress caused. The customer requests £300.00 in compensation.

Defence

The customer's account was registered as non-household with the wholesaler and transferred to the company. It completed the form to de-register the customer's account after the customer contacted it. The payment made by the customer was sent to the wholesaler. Due to an error, the balance was not removed from its systems. It sent letters to the customer about the balance in July 2018; this was removed when the customer complained. The company submits £100.00 is reasonable compensation; this credit is still on the customer's account.

Findings

The company has admitted various failures in respect of the customer's account and its pursuit of an account balance that was not due. In reviewing these failures, and having regard to the actions taken by the company that both mitigated and aggravated the stress caused, the customer's claim was found to be reasonable and proportionate.

Outcome

The company needs to take the following further action:
Pay the customer the sum of £300.00 in compensation.

The customer must reply by 8 January 2019 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1086

Date of Decision: 6 December 2018

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- The customer was erroneously transferred to the company as a non-household customer. After being de-registered as a non-household customer, the company continued to pursue him for a £540.00 bill. The company has offered £100.00 as a goodwill gesture, however the customer submits that this is insufficient given the volume of recovery letters sent by the company.
- The customer requests £300.00 in compensation.

The company's response is that:

- The company states that it was first contacted by the customer on 1 December 2016 to advise that he was unhappy that he had been migrated to the company. The customer's property had always been registered as a business by RST Water. The company started the process to transfer the account over to domestic on 16 January 2017 and advised that it would contact the customer on or before 13 February 2017. The company did not contact the customer to advise that it had not received an update from the wholesaler. The company submitted a new request with the wholesaler and this was accepted on 14 March 2017. The company de-registered the account from 1 March 2017. When the account was migrated, an invoice for £81.15 was produced, and there was a balance brought forward of £459.32 from an amended RST Water invoice dated 3 November 2016. The company received payment of £459.32 on 29 November 2016. RST Water requested this payment be returned and the company actioned this on 16 May 2017. Due to an error, the balance was not removed from its systems. RST Water cancelled the

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invoice for £81.15 and this was not reflected in the company's systems. The company did not start to pursue the account balance until July 2017 due to a system issue. The company sent reminder letters on 5 and 31 July 2018. On 20 August 2018, the company ensured that the outstanding balance was removed and stopped all collection activity. The company's system had automatically produced a further letter on 17 August 2018. The company has applied compensation of £100.00 for the issues on the account, providing this to the customer by cheque. The credit is still on the 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.

How was this decision reached?

1. The customer's claim is brought against [], a water retailer. Whilst the customer is no longer a customer of the company, a claim can only be brought against one water body at a time. It is therefore necessary to set out the scope of the Water Redress Scheme in respect of the company and the wholesaler and household supplier, RST Water.
2. The company is a water retailer, billing non-household customers for the water services provided by the water wholesaler, RST Water. In order to make a decision in this dispute, I must

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clearly distinguish between actions taken by the wholesaler, and the duty owed by the retailer, the company, to its customers. When the water market in England opened up to retailers in April 2017, all non-household customers and accounts were moved to a wholesale/retail split service. As a result, a non-household customer now only has a relationship with the retailer. In turn, the adjudicator operating under the Water Redress Scheme in a claim against the retailer may only make findings related to those things for which the retailer has responsibility, but not those things for which the wholesaler has responsibility.

3. It is accepted that the customer is a domestic customer. The customer's account was incorrectly transferred by the wholesaler, RST Water, to the retailer, the company. The company was made aware of this error by the customer on 1 December 2016. I find that this is the first date on which the company was reasonably aware that the customer's account had been transferred to it in error.
4. The company's timeline indicates that the company immediately checked the 'voa' (Valuation Office Agency – detailing commercial properties within the UK) and found that the customer was registered as a domestic property. The company completed the necessary form to transfer the account back to RST Water on 16 January 2017. The delay before this form was completed has not been explained by the company.
5. The evidence shows that there was a delay in RST Water responding to the company's form. However, the company also did not contact the customer by 13 February 2017 to provide an update, despite stating it would do so.
6. The company de-registered the customer's account from 1 March 2017. It also acted on requests by RST Water to send them the payment of £459.32, made by the customer to the company in November 2016, on 16 May 2017.
7. I find that, at this point, the customer's account with the company should have been fully closed with a zero balance. However, the evidence shows that, when the company sent the customer's payment to RST Water, it did not remove the negative balance from its systems. It also did not remove the 3 November 2016 invoice for £81.15 from its systems when this was cancelled by RST Water. I find this to be a significant failure of the company to act in the manner expected of a water retailer.

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8. The company sent letters to the customer dated 5 and 31 July 2018, requesting payment for the balance on the account, relating to the cancelled November 2016 invoice and the payment that had been sent to RST Water. I find that the company's error in not ensuring the account balance was cleared was exacerbated by the delay in it contacting the customer about the outstanding balance. I find that the delay of more than a year between the customer believing the account had been closed and the issue resolved, and the discovery that the company believed a balance was outstanding, will have caused the customer greater stress and frustration than if the balance had been pursued immediately, allowing for the error to be identified and resolved at the same time as the remainder of the account issues.
9. I am satisfied that the company did resolve the account balance issue promptly in August 2018, however, as above, I find that it failed to meet the standard of a reasonable water retailer when it did not identify the error in May 2017, and remained silent about the alleged outstanding balance for over a year.
10. The customer has requested compensation for the stress and distress caused by the company. I note that the company believes that the offer of £100.00, currently located as a credit on the customer's account, is proportionate.
11. I refer the parties to the Water Redress Scheme Guide to Compensation for Inconvenience and Distress (the Guide). The Guide is of assistance in determining the amount of compensation warranted by various failures by a company, and includes a table of mitigating and aggravating factors that will affect the amount of compensation.
12. I find that the initial transfer of the customer's account to the company was not a failure of the company and that no compensation is due from the company in respect of this issue. However, I find that the company has fallen below the standard to be expected of a water retailer in relation to the delay in completing the form to return the customer's account to RST Water , the failure to call the customer back as arranged, the failure to remove the invoices from the customer's account when the payment was sent to RST Water , and for pursuing payment of the incorrect outstanding balance.
13. I find that the duration of these issues is a significant aggravating factor as the customer reasonably believed the issue to have been fully resolved by May 2017, only to receive letters from the company demanding payment in July 2018. I also find that the company's pursuit of

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payment in July 2018 is due wholly to its own failures, with the wholesaler playing no part in this failure.

14. In consideration of the Guide, I find that the company's failures warrant compensation in Tier 2, between £100.00 and £500.00. I am mindful that the company did act on the customer's advice that he was a household customer, and that it did proactively re-send the request to return the account to RST Water . It also promptly resolved the incorrect billing issue in August 2018 once the customer complained to it. However, in each case, I find that the customer has been the party driving the complaint, and the company was poor at providing updates.
15. The customer has requested £300.00 compensation and, having regard to the Guide, I find that this is reasonable and proportionate to the issues experienced, the duration of those issues, and the various aggravating and mitigating factors detailed above. I therefore direct the company to pay the sum of £300.00 to the customer.
16. I note that the company has sent the customer a cheque for £100.00. For the avoidance of doubt, the £300.00 in compensation awarded is in place of the company's goodwill credit of £100.00 as it relates to the same issues; it is not made in addition to this credit. It is unclear if the customer retains the cheque sent to him or not. The company may therefore wish to cancel the cheque and reissue a payment for the full sum of £300.00 in order to comply with this decision.

Outcome

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

Pay the customer the sum of £300.00 in compensation.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 8 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.

A handwritten signature in black ink, appearing to be 'Alison Dablin', with a long horizontal line extending to the right.

Alison Dablin, LL.M, MSc, MCI Arb

Adjudicator

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