

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0886

Date of Decision: 10 July 2018

Complaint

During the summer of 2016, a meter was installed at the customer's property to replace one that was leaking on the company's side of the supply. On 18 August 2017, the new meter was read as 205 but the correct reading should have been 2055 ("the Error"). The Error led to the customer receiving a huge invoice from the company for 2758 units of usage. The customer requests: (1) a service whereby the estimated usage in bills is actually based on previous usage rather than on a random number not linked to any historical data; (2) meter readings to be taken accurately by the company; and, (3) a credit note for 1850 units of water usage, which equates to £10,465.00 of compensation.

Defence

The Error is acknowledged and the company is sorry that this mistake was made. However, it considers that it should not be liable for £10,465.00 of compensation. The water in question has actually been used.

The company has offered a payment plan to the customer as well as a goodwill credit of £100 for the inconvenience caused by the Error.

Findings

That - in respect of its admitted Error - there was a failure by the company to provide its services to the standard to be reasonably expected; that the company's offer of £100.00, in combination with its offer of a payment plan, amounts to a fair and proportionate compensatory response; and that this constitutes a reasonable reflection of its service failings in this case.

Outcome

The company needs to take the following further action:

I direct the company: (1) to pay the customer the sum of £100.00 in compensation and (2) to allow the customer to select the most suitable payment option for them from those currently offered by the company.

The customer must reply by 7 August 2018 to accept or reject this decision.

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Party Details

Customer: [].

Customer's representative: [].

Company: [].

Case Outline

The customer's complaint is that:

- The company's systems are inadequate to the task of estimating usage when they change a meter to deal with a leak in their system.
- During the summer of 2016, a meter was installed to replace one that was leaking on the company's side of the supply. Prior to this meter being replaced, the meter readings and estimates provided by the company were reasonable and accurate.
- The meter was read by the company on 9 August 2016, which - as the customer records their water usage internally - can be verified as correct. This meter was then billed on an estimated basis until 18 August 2017. These estimates were well below the customer's usage as reported by the previous meter.
- The customer's expectation was that - when installed because of a leak on the company side of the supply - the pattern of usage would be transferred over to the new meter. However, the company has said that this does not happen (but has not explained why this is the case).
- On 18 August 2017, the meter was incorrectly read as 205 when the reading should have been 2055. That led subsequently to the customer receiving a huge invoice for 2758 units of usage (following a correct meter reading of 3004 units completed on 8 February 2018.)
- The factors, therefore, that led to the customer receiving such a significant invoice in these circumstances are:
 - the meter being changed due to a leak on the company's network; and

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- the estimated usage for the meter being transferred over to the replacement meter; and
- the meter then being read incorrectly.
- The customer requests:
 - a service whereby the estimated usage in bills is based on previous usage and not on a random number not linked to any historical data; and
 - meter readings taken by the company (less frequently at their choice) to be both accurate and correct; and
 - a credit note for 1850 units of water usage, which would be £10,465 ((1850 x £1.948) + (1850 x £3.7091)).
- So far, the apologies provided are regarded as hollow with no substance behind the company's failings. No explanation has been given as to why, for example, the pattern of usage would not be transferred to a new meter when it is installed. All the company has said is that the situation is "*unfortunate*" and that they are "*working with the metering team*". The customer asks what is being done to prevent exactly the same problem occurring again and queries whether other customers will be receiving the same poor service.

The company's response is that:

- On 14 March 2018, the customer made contact about a bill that it had received (which was for more than expected) relating to an increased amount of water used at the school.
- The bill was based on consumption recorded by the water meter for the property.
- In the summer of 2016, the meter was installed by [] (Wholesaler) to replace one that had been leaking on their side of the supply.
- The company read the new meter on 9 August 2016.
- Based on this actual reading, readings were estimated from November 2016 until April 2017. As the meter had only been changed in the summer of 2016, there was only the initial meter reading taken on 9 August 2016 on which the company could base its estimates. It had no historical data to work from.
- On 18 August 2017, the meter was read again and unfortunately was captured as 205 instead of 2055.
- In February 2018, an actual reading was taken of 3004. This meant that the customer received a bill for 2758 units of water.
- On 27 March 2018, the company responded to the customer's initial complaint and acknowledged its error. It offered the customer a payment plan to accept instalments of the balance on the account.

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- The customer requested a credit of 1850 units based on the difference between the misread of 205 units on 18 August 2017 and the actual reading of 2055. This equates to a request for compensation in the sum of £10,465.00.
- On 10 April 2018, the company responded to advise that, whilst it accepted that there had been an error in its meter reading, the water in question had actually been used.
- Following a further review, the company again offered a payment plan to spread the cost as well as a goodwill credit of £100.00 for the inconvenience caused.
- The customer has indicated that they read the meter themselves each week. If there was a concern that the reading that they were taking differed from the one on the bill, they could have contacted the company for this to be corrected.
- The company is sorry that the meter was read incorrectly and acknowledges that this was its mistake. However, it feels that a compensation offer of £100.00 and an offer of a payment plan (to spread payments) is a fair basis of compensation given the error made.
- The customer has not been charged for anything that they have not used.

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.

If the evidence provided by the parties does not prove both of these issues, the company will not be directed to do anything.

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. I should remind the parties that adjudication is an evidence-based process where the burden of proof rests on the claimant, in this case the customer, to prove their case on the balance of probability.

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2. I should also say that I have had the benefit of reading the customer's comments, dated 17 June 2018, in response to the company's defence ("Comments").
3. The main focus of the customer's complaint is on the way that the company estimates usage when a meter is replaced to deal with a leak on the Wholesaler's side of the supply network. I note the customer's frustrations about this. I see, for example, that the customer poses a number of questions and concerns. Of the company, they ask: "... *How are they improving things so this does not happen again? Will other customers get the same poor service? What is stopping the exact same problem happening again without our intervention? ...*"
4. In their Comments, the customer additionally argues that:
 - a. this practice "... *will always cause problems for customers unless the meter is completely new...* "; and
 - b. it seems "*very odd*" that large users of water (requiring a meter change because of a leakage fault on the supplier side) "*will have no historical usage data transferred to a new meter*". The customer asks "*why cannot this be done?*"; and
 - c. there is no recognition that "... *this is an issue and needs addressing ...*";
 - d. the compensation offered of £100.00 carries little or no incentive on the company towards "... *changing [its] practices and improving the quality of [its] service ...*"
5. With regard to the specific aspect mentioned, this part of the customer's complaint appears to challenge the rationale or justification for a particular billing procedure that the company follows. Scheme Rule 3.5 provides that the Scheme cannot be used to adjudicate disputes relating to the fairness of a company's commercial practices. It is therefore not within my power to direct the company to effect a change in its procedures (even where such a change might mean more fairness and transparency for the company's customer-base as a whole).
6. For all these reasons, I make no ruling on the main element of the complaint, i.e. regarding the adequacy of the company's procedures and systems around transferring historical usage data over to a new meter in the scenario described.
7. I turn next to the Error made on 18 August 2017. The fact that the Error was made is not in dispute. The company readily acknowledges that this was its mistake and it states that it is "*really sorry*".

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8. I find that the Error constituted a failure by the company to provide its services to the standard to be reasonably expected.
9. As compensation for the Error, the customer requests that they be issued with a credit note for 1850 units of water usage. I note that the financial value of such a credit equates to £10,465.00. In their Comments, the customer submits that there is no recognition on the company's part of the financial impact that an Error of this sort can have on a school's budget: "... *We budget on an annual basis and make staffing decisions based on actual costs and forecasts. A payment plan does not help as we have to live within our means each and every year ...*".
10. A key point made in the company's defence is that – over the relevant period - the customer has in fact used the water for which they have been charged. I do not take the customer to be contesting that point. It is simply that they argue that they should, nevertheless, still be entitled to a credit note (not least because of the financial impact that the Error had on their budgeting). Given the parties' positions on this issue, I am satisfied (and find) that the customer has indeed used the water for which they have been charged.
11. I regard the customer's point about budgeting to be a reasonable one. It is easy to understand how the Error could cause the school's budget in these circumstances to be 'thrown out'. However, as I see it, it would be out of all proportion to compensate for the Error by writing off completely the charges to the customer for water that they have actually used over the period in question. It seems to me that:
 - a. ultimately, the customer has still had the benefit of that water usage (albeit I am satisfied that, as mentioned, their budget arrangements will have needed to be revisited); and
 - b. although I note their submission that it "*does not help*", the company's offer of a payment plan ought to be of significant assistance to the customer in trying to mitigate the effects of the Error on its budgeting.
12. For the reasons given above, I conclude that the company's offer of £100.00 - in combination with its offer to establish a payment plan (to spread payments) – amounts to:
 - a. a fair and proportionate compensatory response in this case, given the Error made; and
 - b. a reasonable reflection of its service failings in this case.

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13. Therefore, I direct the company:

- a. to pay compensation of £100.00 to the customer in compensation for the Error made; and
- b. to allow the customer to select the most suitable payment option for them from those currently offered by the company.

Outcome

The company needs to take the following further action:

I direct the company:

1. to pay the customer the sum of £100.00 in compensation; and
2. to allow the customer to select the most suitable payment option for them from those currently offered by the company.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 7 August 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.



Nik Carle, LLB (Hons), Solicitor, DipArb, FCI Arb

Adjudicator

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