

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT 1126

Date of Decision: 23 May 2019

Complaint

The customer applied for inclusion in the company's WaterSure Plus scheme but the company considered her to be ineligible. The customer believes she should be eligible.

Two payments made by the customer have not been credited to her account.

Defence

The customer is ineligible for WaterSure Plus as her annual water services bill is less than 3% of her net household income, which is the threshold for inclusion in the scheme.

The company suggests the customer re-applies for WaterSure Plus as the eligibility criteria for 2019/2020 have changed.

The company has no records of the two payments the customer states she has made and asks that the customer provide receipts for payment.

The company has credited the customer's account with a total of £70.00 under its Customer Guarantee Scheme.

Findings

The customer has not established that the company has failed to provide its services to the standard to be expected.

Outcome

The company does not need to take any further action.

The customer must reply by 21 June 2019 to accept or reject this decision.

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- The company has made two Customer Guarantee Scheme (CGS) payments totalling £60.00 for late responses to complaints and a further £10.00 for late payment of one of these payments.

How is a WATRS decision reached?

In arriving at my decision, I have considered the following key issues:

- a. Whether the company failed to provide services to the customer according to legislation and to standards reasonably expected by an average person.
- b. Whether or not the customer has suffered any financial loss or other disadvantage as a result of a failing of the company.

In order for the customer's claim against the company to succeed, the evidence available to the adjudicator must show on the balance of probabilities that the company has failed to provide its services to the standard which would be reasonably expected and 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 I have not considered it in reaching my decision.

How was this decision reached?

1. On or around 17 June 2016, the customer submitted an application to be included in the WSP scheme operated by the company. The company notified the customer on or around 22 July 2016 that she was not eligible for WSP as her water bills represented 2.11% of her income.
2. The customer reapplied for inclusion in WSP on or around 7 June 2018. The customer was advised by the company that she was not eligible as her water bills were below 3% of her household income.
3. The customer questioned why the application form refers to income lower than £16,000.00 if this is not considered a key criterion. The customer considers the application form is misleading and that in the circumstances she should be eligible for inclusion in the WSP scheme.

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4. In accordance with Rule 3.5 of the Water Redress Scheme (WATRS) Rules, a WATRS adjudicator does not have authority to evaluate the fairness of contract terms and/or commercial practices operated by a water supply company. I have therefore only considered whether or not the company has correctly applied the published terms of WSP in relation to the customer's situation.
5. The company has provided details of the eligibility criteria for WSP that applied from its introduction in 2015 until 31 March 2019. The details show that WSP is available to all residential customers who meet the eligibility criteria, whether they have a water meter or not. If a customer is eligible, his or her bill will be reduced by 50% from the date the company receives the application.
6. Under the details provided for WSP to 31 March 2019, the first requirement is that the customer's water bill must be at least 3% of the customer's net household income. If this requirement is satisfied, the details for WSP set out two ways in which the customer can qualify for inclusion in WSP. If, however, the customer's water bill is less than 3% of the customer's net household income, the customer will not qualify for inclusion in WSP, irrespective of whether or not the customer satisfies the other criteria mentioned.
7. Net household income is defined in the terms as: "All income received by everyone living in the same property as the applicant after tax, national insurance, housing costs and any payments received for council tax benefit, disability living allowance, personal independence payment and attendance allowance have been taken away".
8. The company states in its letter dated 17 July 2018 that it has not used the customer's mobility payments in its calculations and has only used the customer's pension credit payments of £163.00 per week and calculated this against the customer's water services bill of 261.74. The company also states that the customer's annual water bill is 2.86% of the customer's income.
9. According to the customer's account statement, the annual water services bill for 1 April 2018 to 31 March 2019 is £242.51. The figure of £261.74 referred to in the company's letter includes the sum of £19.23 carried forward from the previous year and was the balance remaining from the previous year's annual water services bill of £237,42.

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10. The customer's actual annual water services bill of £242.51 for 1 April 2018 to 31 March 2019 equates to an amount of £4.66 per week. This represents 2.86% of the pension credit payment of £163.00 per week. This is the same percentage as the figure stated in the company's letter dated 17 July 2018.
11. It is clear that the company has not included the other income declared on the customer's application for WSP as, had it done so, the water services bill would have been a significantly lower percentage of income.
12. The standard single pension credit for 2018 was £163.00. The company states this is the only amount used in calculating the water services bill percentage and is consistent with the water services bill of £242.51 being calculated as being 2.86% of the customer's income. The percentage calculation shows the company has taken the figure of £163.00 as the customer's net household income.
13. I find the company's assessment of the customer's annual water services bill for 1 April 2018 to 31 March 2019 being less than 3% of the customer's net household income for the same period as being reasonable. Since the annual water services bill is less than 3% of the customer's income, the first requirement of WSP has not been satisfied and therefore the other criteria, which only apply if the water services bill exceeds 3% of net household income, are not considered under WSP up to 31 March 2019.
14. The customer has queried why an income level of £16,000.00 is not considered a key criterion. According to the details for WSP eligibility, this is only considered if the water services bill is 3% or more of the customer's income. In this case therefore, where the customer's bill is less than 3% of income, it is not considered.
15. I therefore find, under the terms of WSP, the customer was not eligible for inclusion in WSP for the period from 1 April 2018 to 31 March 2019. Consequently, I am satisfied that the company's decision to not place the customer in the WSP scheme was not a failure to provide its services to the standard to be expected.
16. On 3 May 2018, the company provided a response to the stage 1 complaint received from the Consumer Council for Water (CCWater). As the company had not responded within the 10 day

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timeframe set out in the company's CGS, the company notified the customer in its letter dated 14 May 2018 that a credit of £30.00 would be applied to the customer's account.

17. On 24 August 2018, the company provided a response to the customer by letter to the stage 2 complaint received from CCWater. As the company had not responded within the 10 day timeframe set out in the company's CGS, the company notified the customer in the same letter that a credit of £30.00 would be applied to the customer's account. The company noted that this would reduce the outstanding balance for the period from £178.76 to £148.76.
18. Although the company applied the first CGS payment to the customer's account, the second CGS payment was not applied. The notice issued to the customer dated 13 November 2018 showed the outstanding balance as £178.76. This should have been £148.76. Since this payment was not applied to the customer's account in a timely manner, under the Guaranteed Standards Scheme (GSS), the customer is entitled to a further payment of £10.00. It is noted that the company has now applied both the second payment of £30.00 plus the late payment amount of £10.00 to the customer's account.
19. The company has acknowledged that it failed to provide services to the required standard in relation to responding to complaints in the required timeframe. I am, however, satisfied that the company has applied the correct payments as required under CGS and GSS to compensate the customer for these failings. I therefore direct no further action in regard to these failures.
20. The company notes that changes have been made to WSP from 1 April 2019 and that this may benefit the customer. From the information provided by the company, it appears WSP eligibility is now assessed on gross annual income and is not related to the water services bill amount. The company has encouraged the customer to reapply for WSP for the period 1 April 2019 to 31 March 2020. I make no specific direction in this respect but consider that this may be a course of action the customer would like to take and would be free to do so.
21. The customer also refers in the WATRS application to payments that she states the company has told her it has not received. The customer indicates payments were made following communications from the company dated 14 September 2018 and 4 October 2018. The company states it has received no payments since 31 May 2018. These payments do not appear on the statement dated 4 March 2019. I have been unable to verify whether these payments have been made as the customer has provided no evidence to support the statement that these

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payments have been made. However, in its defence statement, the company has asked that the customer provide payment receipts so that the company can investigate the matter.

22. I find the company's actions in this matter overall to have been to the standard to be reasonably expected. Where the company has failed to respond to the customer within the timescales set out in its CGS, it has made the required payments to credit the customer's account.
23. The customer's claim does not succeed.

Outcome

The company does not need to take any further action.

What happens next?

- This adjudication is final and cannot be appealed or amended.
- The Customer must reply by 21 June 2019 to accept or reject this decision.
- When the Customer notifies WATRS of acceptance or rejection of the decision, the Company will be notified of this. The case will then be closed.
- If the Customer does not inform WATRS of his acceptance or rejection of the decision by the date required, this will be taken as a rejection of the decision.

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Signed

A handwritten signature in black ink, appearing to read 'Ian Raine', with a long horizontal flourish extending to the right.

Name

Ian Raine BSc CEng MIMechE FCI Arb MCIBSE

Adjudicator

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