

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1132

Date of Decision: 17 January 2019

#### Complaint

The customer submits that there have been several issues of poor customer service from both the company, the retailer, and [ ] (RST), the wholesaler. A leak was reported to RST in September 2017. The leak was repaired by RST. For clarification, this complaint is against the company; however, good customer service would have been for RST to have reported the leak to the company and also to have informed him of the procedure to claim a leak allowance. However, RST failed to do so. A further issue is that the company does not alert its customers when a bill is higher than usual. The company was aware of an increase in consumption in December 2017, yet it took no action. The company also failed to bill him for the period. Due to the disregard of both companies he has been left with a large balance on the account. The customer requests an apology and a leakage allowance.

#### Defence

The company submits that RST rejected the allowance request as the request was not made within three months of the leak being repaired. As the customer reported this leak directly to RST, it was not aware a leak had taken place. It therefore was unable to provide information regarding any possible allowances that would be available. It was made aware of an increase in consumption in December 2017. However, it does not currently have anything in place that notifies customers of a spike in consumption. In addition, as the wholesaler's leakage policy is that an allowance must be applied for within a specific timeframe of a repair being carried out, it would not be able to guarantee that this would help in situations like this as sometimes meters are only read every six months and sometimes it does not get actual reads due to access restrictions. It acknowledges that there was a delay in billing. It confirms that on 20 December 2018, a decision was taken with RST to re-visit the case. Failings were found and an allowance has been applied to the customer's account.

#### Findings

The company and RST are separate entities. My remit is to determine the issues between the customer and the company. It falls outside of my remit to consider any claims against RST. Customers should not solely rely on bills and/or their retailer to alert them to unexpected increase in consumption. There is no evidence to show that the company is under an obligation to monitor customers' consumption and notify customers if it considers that their usage is higher than expected. There is also no evidence to show that the company is

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required to read a meter more than twice a year. Customers therefore share the responsibility to check their consumption by taking regular meter readings. Companies have a duty to notify customers of charges levied on their accounts. The company delayed in issuing a bill and failed to fulfil its obligation to the customer in this regard. The company also failed in its duty to contact the wholesaler and query decisions on the customer's behalf. The company is not responsible for granting any allowances. This is therefore not a remedy I can direct the company to provide. In addition, the evidence shows an allowance has now been granted by RST. However, I have found a number of failings on the company's part. In light of the circumstances of the case, I find that it would be fair and reasonable for the company to pay the customer a measure of compensation for the stress and inconvenience caused. This direction is made in accordance with WATRS Rule 6.6 which states that adjudicators can award more than has been claimed by the customer in exceptional circumstances.

#### Outcome

The company needs to take the following further action:

I direct that the company pay the customer the sum of £250.00 in compensation. I also direct that an authorised representative of the company provide the customer with a written apology.

The customer must reply by 14 February 2019 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1132

Date of Decision: 17 January 2019

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

### **The customer's complaint is that:**

- He is requesting a leak allowance from the company but this has been declined.
- There have been several issues of poor customer service from both the company, as the retailer, and [ ] (RST), the wholesaler. However, for clarification, this complaint is against the company.
- A leak was reported to RST in September 2017. The leak was repaired by RST. Although RST now states that the repair was carried out by [ ] Solutions, a separate company, he has an invoice and related literature from RST.
- Good customer service would have been for RST to have reported the leak to the company and also to inform him of the procedure to claim an allowance.
- Had the company been informed of the leak and he advised of the procedure, an allowance would have been granted. However, due to the disregard of both companies he has been left with a large balance on the account. There has been detriment to him following the opening of the non-household market as had he remained a direct customer of RST, he would have been awarded an allowance.
- A further issue is that the company does not alert its customers when a bill is higher than usual. The company was aware of an increase in consumption in December 2017, yet it took no action.
- The company also failed to bill him for the period. Actual readings had been taken on three occasions through the period on 7 August 2017, 13 December 2017, and 12 March 2018. However, no bill had been raised for over a fiscal year.

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- An allowance should be applied to the account for the poor communication between RST and the company; the lack of information provided by RST and the company, which would have allowed him to apply for an allowance within RST's policy timescales; and for the company choosing not to challenge RST and represent him in his claim for a leak allowance.
- The customer requests "a written apology for the poor communication and lack of assistance in being alerted to the high consumption outside usual usage", and "an allowance applied (that would likely have been granted prior to market reform)."

**The company's response is that:**

- It has been liaising with RST throughout the complaint process.
- RST rejected the allowance request as the request was not made within three months of the leak being repaired. RST also initially incorrectly advised that it received no contact from the customer regarding any leaks and that the customer had gone directly through [                    ] Solutions who are a separate company from the wholesaler.
- As the customer reported this leak directly to RST it was not aware a leak had taken place. Therefore it was unable to provide information regarding any possible allowances that would be available. RST has no obligation to report these leaks to it as there is no agreement in place to do so.
- It was made aware of an increase in consumption in December 2017. However, it does not currently have anything in place that notifies customers of a spike in consumption. It is something that it is hoping to have in place in the future but as the wholesaler's leakage policy is that an allowance must be applied within a specific period of a repair being carried out, it would not be able to guarantee that this would help in situations like this. As sometimes meters are only read every six months and sometimes it does not get actual reads due to access restrictions. Therefore, when a leak is repaired it is important for the customer to contact it to report this.
- It acknowledges that there was a delay in billing.
- On 20 December 2018, a final review of the account was undertaken by its Director of Customer Experience with RST's Head of Wholesale. A decision to re-look at the non-return to sewer allowance has been taken.
- This final review determined that correspondence had not addressed all of the matters raised by the customer and had included some factually incorrect or unclear information. Specifically in the responses, the companies had not adequately addressed the customer's query with regards to his trade effluent bills and had provided incorrect information on the meter reads and sample

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results relating to the site. Additionally, whilst [ ] Solutions are managed as an entirely separate entity within RST, [ ] Solutions is not a separate company to RST. These aspects were not correctly communicated to the customer.

- Accordingly, RST has reviewed the application for a non-return to sewer allowance for the period and has applied an allowance of £2006.03. Additionally, it has recalculated the trade effluent bills for the periods concerned using the correct sample data and this has resulted in a reduction in trade effluent charges.

### **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 evidence shows that the company is the retailer and RST is the wholesaler. Retail companies and wholesale companies are separate entities. The customer has a contractual

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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. This adjudication can only consider the duty owed by the company to its customers. The company's duty is to contact the wholesaler and raise any claims or query any decisions on the customer's behalf.
4. The customer accepts that his claim is against the retailer only. It falls outside of my remit to consider any claims or complaints against RST.
5. For the avoidance of doubt, I note the customer's complaints about the opening of the non-household market and the retail/wholesale structure. However, this issue falls outside of my remit to consider. The WATRS scheme is limited in scope and I have no power to review complaints about the opening of the non-household market.

#### ***Increase in consumption***

6. I acknowledge the customer's complaint that the company does not alert its customers when a bill is higher than usual. It is not in dispute that the company was aware of the increase in consumption in December 2017.
7. However, for the purposes of this adjudication, there is no evidence to show that the company is under an obligation to monitor customers' consumption and notify customers if it considers that their usage is higher than expected. There is also no evidence to show that the company is required to read a meter more than twice a year. Customers share the responsibility to check their consumption by taking regular meter readings. In light of this, I am therefore inclined to accept the company's submissions that customer should not solely rely on bills and/or their retailer to alert them to unexpected increase in consumption. I therefore find no failing on the company's part in this regard.

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## **Billing**

8. However, notwithstanding the above, it is not in dispute that the company delayed in issuing a bill to the customer. I find that companies have a duty to notify customers of charges levied on their accounts.
9. Actual meter readings were taken on 7 August 2017, 13 December 2017, and 12 March 2018. However, the company did not issue a bill for over a year, until the customer had to make contact on 25 June 2018 to request a bill.
10. I note that the company states that the customer was not billed as, when the account switched from RST, it had the incorrect meter attached. The company have not provided evidence to show that RST and not it was responsible for this error. Further correspondence also shows that the company informed the customer that another reason a bill was not issued was because it was waiting for sample information from RST. I am mindful that no evidence has been submitted to show that the company took steps to chase RST for this information.
11. In view of the above, I am not satisfied that the company has shown that it provided its services to the customer to the standard to be reasonably expected by the average person in relation to its billing.

## ***The company's obligations to raise queries on the customer's behalf***

12. The evidence shows that RST, and not the company, is responsible for granting any leakage allowances. The company's duty is to contact the wholesaler and raise any claims or query any decisions on the customer's behalf.
13. On 26 June 2018, the customer contacted the company to query charges on the bill issued the previous day. The customer informed the company that a leak had taken place and had been repaired in September 2017. Following further contact between the parties and a formal complaint raised by the customer, on 1 August 2018, the company informed the customer of RST's leakage policy. The customer complained that RST had been aware of the leak, and that the leak had been repaired by RST on 22 September 2017, but that he had not been informed at any time by RST of its leakage policy, or of timescales or information that may be needed for a

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claim to be made. The company states that a call was made to the wholesaler to ask if due to the circumstances, the customer would be entitled to any sort of allowance but the wholesaler advised it had no record of the customer making contact to report the leak.

14. A copy of the repair invoice has been submitted by the customer in evidence that clearly states that payment for the work should be made to RST. The evidence shows that the company was made aware of this invoice on or before 6 August 2018. The evidence therefore supported the customer's submissions on a balance of probabilities that RST had been aware of the leak. I therefore find that, in the circumstances, the average person would have reasonably expected the company to have challenged RST about the matter on the customer's behalf.
15. However, I note that it is not until the customer took the matter to the Consumer Council for Water (CCW), and the company received a pre-investigation letter from CCW that it advised that it would be challenging RST and requesting that an allowance be granted. Further, as per the company's Defence, despite the intervention of CCW and requests from CCW to look further into the matter, it was not until the customer was forced to escalate the matter to WATRS that the company undertook a thorough review of the account with RST. The company acknowledges that failings were subsequently found including that factually incorrect or unclear information had been provided to the customer.
16. In view of the above, I am not satisfied that the company has shown that it fulfilled its obligation to raise queries on the customer's behalf. 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.

### **Redress**

17. In respect of the customer's request that the company apply an allowance, although I have found a number of failings on the company's part, as discussed above, the company is not responsible for granting any allowances, this is the responsibility of the wholesaler. This is therefore not a remedy I can direct the company to provide. Consequently, this aspect of the claim is unable to succeed. I note in any event that following the customer's application to WATRS, the matter has been re-investigated and RST provided an allowance of £2006.03.

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18. Notwithstanding the above, as discussed above, I have found that the company failed to fulfil its obligations in relation to billing and raising queries with the wholesaler on the customer's behalf. I am mindful that under WATRS Rule 6.6, I am able to award more than has been claimed by the customer in exceptional circumstances. In light of the circumstances of this case, I find that it would be fair and reasonable for the company to pay the customer a measure of compensation for the stress and inconvenience caused. Having carefully considered the matter, I consider the sum of £250.00 to be a fair and reasonable level of compensation. I therefore direct that the company pay the customer the sum of £250.00 in compensation.

19. In respect of the customer's request for an apology, in light of my findings above that, I find that it would be fair and reasonable to direct that an authorised representative of the company provide the customer with a written apology.

#### **Outcome**

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

I direct that the company pay the customer the sum of £250.00 in compensation. I also direct that an authorised representative of the company provide the customer with a written apology.

#### **What happens next?**

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 14 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.
- 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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**U Obi LLB (Hons) MCI Arb  
Adjudicator**

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**[www.WATRS.org](http://www.WATRS.org) | [info@watsr.org](mailto:info@watsr.org)**