

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1139

Date of Decision: 21 January 2019

#### Complaint

The customer states that, for many years, her water services were charged through RV (Rateable Value). When her water charges were switched to metered charges, she discovered that her bills were much cheaper. The customer therefore requested that the company backdate her previous RV charges and convert them into cheaper metered charges. The company did not initially provide a response. However, after the customer's MP sent a letter on her behalf, the company responded. The company explained that it was not obliged to backdate the customer's valid previous RV charges and convert them into cheaper metered charges. Therefore, the customer is now claiming for the company to fully or partially backdate her previous RV charges (converting them into cheaper metered charges). The customer has also indicated that she would like all water companies to review their commercial practices relating to unmeasured charging (or provide water meters to all water customers).

#### Defence

The company explains that its Scheme of Charges makes it clear that the company can charge its customers through RV or metered charges. The customer was previously on RV charges as she had not requested to be placed on metered charges. The fact that metered charging is more cost-effective for the customer's present individual circumstances does not mean that her valid previous RV charges were incorrect. The company accepts that it did fail to respond to the customer's initial complaint. It apologises for this failure and states that it has already provided the customer with compensation in the sum of £75.00 for the inconvenience caused by this matter. The company states that, in light of all the above, it does not accept any further liability for the customer's claims for redress.

#### Findings

Based on the evidence provided, I do not find that the company has charged the customer incorrectly. Nor do I find that the company is under any obligation to convert the customer's previous RV charges into cheaper metered charges. I accept that the company failed to provide the customer with a response to her

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

initial complaint. However, I am satisfied that the company's remedial actions in response to this failure were fair and reasonable.

**Outcome**

The company does not need to take any further action.

The customer must reply by 18 February 2019 to accept or reject this decision.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1139

Date of Decision: 21 January 2019

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

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

- For many years, the customer's water services were charged by RV. When her water service charges were recently switched to metered charges, she discovered that her bills were much cheaper.
- The customer therefore complained to the company and requested that it backdate her previous RV charges (converting them into cheaper metered charges).
- The customer states that the company did not initially provide a response. However, after her MP sent a letter on her behalf, the company responded.
- The company explained that the customer has always been correctly charged and it was not obliged to backdate the customer's valid RV charges and convert them into cheaper metered charges.
- The customer is not satisfied with this situation and is now claiming for the company to fully or partially backdate her previous RV charges (converting them into cheaper metered charges). The customer has also indicated that she would like all water companies to review their commercial practices relating to unmeasured charging (or provide water meters to all water customers).

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

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

- The Water Industry Act 1991 makes it expressly clear that water companies can set their own Scheme of Charges and charge their customers accordingly. The company's Scheme of Charges makes it clear that the company can charge its customers through RV or metered charges. Therefore, RV and metered charging are both valid forms of raising charges.
- The customer was previously on RV as she had not requested to be placed on metered charges.
- The customer was always entitled to request a water meter installation (and to be charged through metered charges). This is clearly advertised by the company on all the bills sent to the customer over the years. However, as the customer had never requested a meter installation, she could only be charged by RV.
- The company states that the customer is best placed to know their own water usage habits and to determine whether they will benefit from requesting metered charging.
- The company does not accept that it is obliged to make any changes to her valid previous RV charges. The fact that metered charging is more cost-effective for the customer's present individual circumstances does not mean that her valid previous RV charges were incorrect.
- The company accepts that it did fail to respond to the customer's initial complaint. It apologises for this failure and states that it has provided the customer with compensation in the sum of £75.00 for the inconvenience caused by this matter.
- The company states that, in light of all the above, it does not accept any further liability for the customer's claims for redress.

### **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

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

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 crux of this dispute lies with the customer's belief that she should be entitled to have the company backdate her previous RV charges and convert them into cheaper metered charges. The customer states that she has complained to the company about this issue but it has concluded it is not obliged to convert the customer's valid previous RV charges into cheaper metered charges. The customer is not satisfied with this situation and is now claiming for the company to fully or partially backdate her previous RV charges (converting them into cheaper metered charges). The customer has also indicated that she would like all water companies to review their commercial practices relating to unmeasured charging (or provide water meters to all water customers).
2. I remind the parties that adjudication is an evidence-based process and in order for any remedy to be awarded, the evidence must show that the company has not provided its services to the standard that would reasonably be expected of it.
3. At this juncture, I find that it is important to remind the parties that it is beyond the scope of this scheme to review/amend the general commercial practices of all water companies (the WATRS rules make it expressly clear that the scheme cannot be used for disputes relating to the fairness of contract terms and/or commercial practices). Accordingly, I am unable to examine/address any issues relating to the commercial practices of unmeasured charging and/or the provision of water meters. Furthermore, I should also make it clear that it is entirely outside the scope of this scheme to issue directions against unrelated third-parties who are not a party to this adjudication (the WATRS rules make it clear that third-party complaints cannot be considered). I will proceed accordingly.
4. I find that, in accordance with the relevant provisions of the Water Industry Act 1991 (notably sections 142-143), companies are entitled to set their own Scheme of Charges and charge their

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

customers accordingly. I note that the company's Scheme of Charges sets out that it is entitled to charge its customers by either RV or metered charges. Consequently, I accept that both RV and metered charges are valid methods for the company to raise its charges.

5. It is not in dispute that the customer was previously charged by RV as she did not have a water meter. Furthermore, it is not disputed that following the installation of a water meter at her property, the customer discovered that her metered charges were cheaper than her previous RV charges.
6. Whilst I appreciate that the customer is displeased that her previous RV charges were more expensive than if she had been on metered charging, I do not find that this renders her previous RV charges incorrect or that the company is under any obligation (contractual or otherwise) to convert her valid previous RV charges (incurred before the customer had a water meter installed) into metered charges. I draw attention to the fact that the cost-effectiveness of either RV or metered charges depends entirely on a customer's individual circumstances (and their water usage habits). For some, RV will be more cost-effective; for others, metered charges may be cheaper. Accordingly, I must conclude it is reasonable that the customer is best-placed to determine whether RV or metered charging is suitable for her own individual circumstances. I do not find that the company is under any obligation, contractually or otherwise, to actively determine the best charging method for the customer.
7. Consequently, in light of all the above, I am satisfied the company has correctly maintained the position that it is not obliged to backdate the customer's valid previous RV charges and convert them into cheaper metered charges. Accordingly, I am not satisfied that the company's actions in relation to this issue amount to a failure to provide its services to the standard to be reasonably expected by the average person.
8. I note the company has accepted that it failed to provide the customer with a response to her initial complaint. I find that the details of this matter are consistent in the parties' respective submissions. Accordingly, I am satisfied that the company has failed to provide its services to the standard to be reasonably expected by the average person. However, taking note of the company's apology and the remedial actions it has already taken for this failure (in particular, the company's provision of compensation in the sum of £75.00), I am satisfied that the company's overall actions in response to this matter were fair and reasonable. Under the

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

circumstances, I do not find that any further remedial action is warranted in connection with this matter.

9. Following careful review of all the submissions provided, I am not satisfied that there are any unresolved failures on the part of the company at this time. Consequently, in the absence of any unresolved failures on the part of the company, I am unable to uphold the customer's claims for redress.

#### **Outcome**

The company does not need to take any further action.

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

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 18 February 2019 to accept or reject this decision.
- When you tell WATRS that you accept or reject the decision, the company will be notified of this. The case will then be closed.
- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision.



**E. Higashi** LLB (Hons), PGDip (LPC), MCI Arb.

**Adjudicator**

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*