

# **WATRS**

## **Water Redress Scheme**

### **ADJUDICATOR'S DECISION SUMMARY**

**Adjudication Reference: WAT/WP/1188**

**Date of Decision: 25 March 2019**

#### **Complaint**

The customer, a school, received a large quarterly bill from the company for £5,559.57. Their quarterly bills were normally much less - around £2,500. There were no incidents that the customer identified that could have contributed to the higher consumption. They pressed the company, therefore, to explain why the school was being billed so much. However, no clarity on the actual reason was ever provided - only explanations that were conflicting from different members of staff. In the circumstances, the customer feels that they should be entitled to an allowance against the £5,559.57 bill.

#### **Defence**

The customer was billed on estimated readings, for a period of time, rather than actual readings. The company acknowledges that it made an error in this respect ("the Acknowledged Failing"). It has apologised and has credited £140.00 to the customer's account. Eventually, when the customer was billed to an actual reading, this highlighted that there had been a spike in consumption. The customer would not have been eligible for an allowance against the £5,559.57 bill anyway because (1) no leaks had been found at the school and (2) it is not policy to apply an allowance due to a spike in consumption.

No offer of settlement has been made.

#### **Findings**

The Acknowledged Failing, i.e. the delay in billing by reference to actual meter readings, was a failure by the company to provide its services to the standard expected. However, the £140.00 already credited to the customer's account was a reasonable and proportionate recompense for the inconvenience caused by this - no additional award is due. The customer's meter was accurately recording consumption. Further, the fact that no explanation had emerged for the spike in consumption was not a basis for requiring the company to grant an allowance against, or to write off, the £5,559.57 bill.

#### **Outcome**

The company does not need to take any further action.

The customer must reply by 22 April 2019 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

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Date of Decision: 25 March 2019

## Party Details

**Customer:** [ ]

**Customer's representative:** [ ] (Headteacher)

**Company:** [ ].

## Case Outline

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

- The customer, a school ("the School"), received a large quarterly bill from the company for £5,559.57 ("the High Bill"). Their quarterly bills were normally much less - around £2,500.
- The customer checked the School for leaks but none could be found. They did not have any new appliances installed nor had they left any tap open (as the company suggested might be the case). As far as the customer is concerned, there were no incidents that could have contributed to the higher consumption.
- The customer wanted the company to investigate the issues and to provide a clear answer on why the School was being billed so much.
- The customer was given conflicting explanations by different company advisers about why the High Bill was so much, including, for example:
  - estimated readings;
  - a possible leak;
  - a running tap.
- On reviewing the matter, the company has said that the School was billed on estimated readings for a while. Once the meter was read (and accepted) in February 2017, a high 'catch up' bill was generated. The company apologised and as a gesture of goodwill, credited £140.00 to the customer's account ("£140.00 Credit").
- However, no clarity on the actual reason for the High Bill has ever been provided.

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- The customer considers that the situation has arisen because of an error on the part of the company and, therefore, they feel that the School should be entitled to an allowance against the High Bill.

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

- It understands that the customer:
  - would like the High Bill to be removed;
  - would like the School to be billed according to their normal usage;
  - is unhappy about conflicting information given in relation to the spike in consumption;
  - queries why the School was billed on estimated readings rather than the actual readings that the company holds.
- The customer was billed on estimated readings rather than actual readings as the company read the meter after the account had been billed. Eventually, when the customer billed to an actual read, this highlighted that there had been a spike in consumption.
- The late billing has not had a financial impact on the customer. If the company had billed to the first accurate read then the customer would still have been billed the same amount for the period in question.
- As the company did not bill the School sooner based on actual meter readings:
  - a £140.00 Credit was applied to the customer's account; and
  - the company apologised to the customer for not billing them using actual meter reads.
- The company also offered the customer a payment arrangement.
- If the company had used an actual read for the first invoice in question, the customer would have just received the larger bill at that point in time (because the spike in consumption had still occurred.)
- That bill would not have alerted the customer to a leak or anything that could have been prevented - the customer has confirmed that there was no leak or unusual activity.
- If the company had masked a leak by not billing to actual readings, the company would in those circumstances, as a retailer:
  - have looked at recompensing the customer for water recorded on the meter; and
  - have challenged the Wholesaler.
- However, as the customer has confirmed that there have not been any leaks, the company has not been able to do this.
- As to the complaint about provision of conflicting information, the company has not intentionally misadvised the customer.

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- When it has this type of billing query, the company asks all customers a number of probing questions to try to identify what could be the cause of the high consumption.
- The company apologises if this has caused confusion for the customer.
- Whilst the company appreciates that it did not bill the customer to actual meter readings at the time of the original increase, even if it had billed in this way, the customer would (still) not have been eligible for an allowance from the Wholesaler because:
  - the customer has confirmed that there has not been a leak at the School; and
  - it is not policy for the company to apply an allowance due to a spike in consumption.
- Therefore, although the consumption has increased and then reduced, it has been recorded accurately on the meter.
- It is difficult to be sure that the usage is out of the ordinary because it can be seen from the table provided (with the company's defence) that the School's consumption frequently varies.

### **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. I have reviewed in particular:

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- a. the seven email chains, the copy of the High Bill dated 2 May 2017 and the customer's letter to the company of 5 December 2017, all of which are submitted as 'Additional Evidence' alongside the customer's WATRS application form; and
  - b. the company's Stage 1 response to the customer sent on 18 December 2017 ("Stage 1 Response") and the spreadsheet of meter readings covering the period between April 2014 and January 2019 - these items are appended to the company's defence.
2. I should also say that I have had the benefit of reading the customer's comments of 5 March 2019 ("Comments"), which are filed by way of reply to the company's defence.
3. Turning first of all to the Stage 1 Response, I note the extent to which the company accepts that there was an error on its part in this case ("the Acknowledged Failing"):

*"... I've reviewed your account and I can see that we've been estimating your bills. We've now taken these readings and billed you using accurate readings ... This is an error which we've made as we should have been billing you on the Siemens meter reads we've received from the engineers. I'm really sorry about this ... I'm really sorry that this has been on-going for so long. I would like to offer a compensation payment of £140.00 to be allocated against the invoice, as we failed to accept 6 Siemens meter reads and apply these to your invoices. I'm really sorry about this ... "*

4. The Acknowledged Failing, i.e. the delay in calculating its invoices by reference to the actual Siemens meter readings (and its using estimates instead) was indeed, I find, a failure by the company to provide its services to the standard that would be expected.
5. For present purposes, however, the customer's focus seems to be on the following key issues:
- a. the company's failure to provide clarity on the reasons why the High Bill came about. (I view this part of the case as the customer essentially looking to the company to justify the High Bill);
  - b. the company's 'working assumption' that the underlying increase in usage - and therefore, the High Bill - can only be attributable to something done or not done by the customer. The customer rejects such a working assumption. They have ruled out any leaks at the School, no tap had been left on and no new appliances had been installed, etc. (As I understand their case, the customer contends that - in these circumstances -

the only plausible explanation remaining is that the High Bill is incorrect and should, therefore, be withdrawn).

6. I appreciate that the increase in consumption (“the Spike”) is very concerning for the customer - particularly when their own investigations produced no obvious explanation as to why the Spike occurred. I note the financial impact on the School, which is described by the customer in their Comments (and which I readily accept and understand):

*“... It will be an on-going issue as [the High Bill] was double the normal amount for that period, which would have taken us over the budget amount set for that year by around £2,500. In comparison our annual spend in previous years (and the current financial year) have remained consistent both prior and since the invoice concerned, and have never taken us over our set annual budget allocation (even taking in to account any price increases). Budgets are very tight and any over spend has an impact on the amount we can spend on resources for our pupils ...”*

7. However, I have examined the relevant email correspondence passing between the parties. Based on my reading of those exchanges, I am satisfied:

- a. that the company did make sufficient efforts to establish what the source of the Spike was; and
  - b. that these efforts were not designed to provide a conflicting or confusing picture for the customer. Rather, it seems to me, the company was merely seeking to follow a process of elimination. I note the way that the company puts this in its defence: “... When we have this type of billing query, we ask all customers a number of probing questions to try and identify what could have been the cause of the high consumption ...”
8. Although it is frustrating that no explanation ultimately revealed itself, I do not consider that this must mean, consequently, that the company was at fault. I would not regard that as a fair assessment of the situation.
  9. Equally, the absence of a definitive explanation as to why the Spike occurred is not a reasonable basis, as I see it, for requiring the company to withdraw or ‘write off’ the High Bill. I accept instead the important point that the company makes:
    - a. in its Stage 1 Response that: “ ... I understand that you wish for a reassessment of the charges based on previous usage, however the information on [the High Bill] is the data

- which was taken from your meter which supplies the property ..."; and*
- b. at the end of its defence that: "*... although the consumption has increased and then reduced it has been recorded accurately on the meter ...*"
10. As I understand it, the customer does not dispute that their meter was accurately recording the School's consumption. That being so, I cannot find any considered basis to doubt that the company's charges - in the High Bill specifically - have been properly calculated and invoiced.
11. For the same reasons, I am not persuaded that this is a case where the customer might be eligible for an allowance to be applied against the High Bill. No leaks were detected. I accept the submission made by the company on this that "*... it is not policy ... to apply an allowance due to a spike in consumption ...*"
12. Returning to the Acknowledged Failing - and my finding about that aspect above - I note that the company has already applied a £140.00 Credit to the customer's account. £140.00 seems to me to be a reasonable and proportionate sum for the company to credit to the customer for the inconvenience caused. On this, I do attach some weight to the argument that the company makes at the bottom of page 1 of its defence:
- "... Had we used an actual read for this first invoice in question, the customer would have just received the larger bill at this point as the spike in consumption had still occurred. This bill would not have alerted customers to a leak or anything that could have been prevented as the customer has confirmed there was no leak or unusual activity ..."*
13. Accordingly, as a reflection for the Acknowledged Failing, I do not consider that any award over and above the £140.00 Credit (already applied) would be warranted.
14. In conclusion, save for the Acknowledged Failing, I am satisfied that the company has provided its services to the customer in this case to the standard that one would reasonably expect.

### 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 22 April 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.
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**Nik Carle**, LLB (Hons), Solicitor, DipArb, FCIArb

**Adjudicator**