

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1201

Date of Decision: 7 March 2019

Complaint

While the customer was on holiday his workshop was flooded due to a leak on the internal pipework. The customer's friend isolated the leak and the water drained away through the ground causing no damage. The customer returned from his holiday and repaired the leak on 19 March 2018. In April, the customer received an estimated bill showing a water consumption comparable to his previous bills. However, in June 2018 the customer received a large bill based on a meter reading taken after the leak had occurred. The customer was unaware that he could apply for a leakage allowance until he was informed that he may be entitled to one by an engineer attending the property on behalf of RST Water, the customer's wholesaler. The customer raised a complaint with the company on 24 July 2018 on the basis that RST Water should apply an allowance to his sewerage charges as the water drained into the ground and did not return to the sewer. The company rejected the customer's request for an allowance on the basis that the customer did not apply within three months of the repair to the leak, as required under RST Water's policy. The customer was unhappy with this outcome as he was unaware of the amount charged for the leaked water until he received his bill in July 2018, and was unaware that he could apply for a leakage allowance until he was given this information from RST Water's engineer, both events occurring after the expiration of the three month deadline. The customer would have applied for an allowance within the three month period had he received an accurate bill in April 2018. Therefore, he referred his complaint to CCWater who asked the company to refer the customer's application for a leakage allowance to RST Water. On 10 December 2018, the company reiterated that RST Water would not consider the application for a leakage allowance as the customer had not applied within three months of the repair to the leak. The customer initially requested an unspecified sum in leakage allowance and £300.00 in compensation for the distress and inconvenience suffered during the complaint process. However, since the customer referred this complaint to WATRS, it has transpired that the company asked RST Water to consider the customer's application on 12 December 2018 and a leakage allowance of 254 m3 of sewerage has been granted, although the customer has not been supplied with a breakdown of the calculation used to assess the allowance.

Defence

The company states that leakage allowances are granted by RST Water, the customer's wholesaler. Leakage allowances have two elements; an allowance for water lost but registered on a customer's meter due to a leak, and an allowance for non-return to the sewer ("NRTS") waste water. RST Water's

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leakage allowance policy states that customers must apply for leakage allowances within three months of a leak being repaired. Furthermore, RST Water would not grant an allowance for water lost due to the leak as the leak occurred on the customer's premises. Therefore, the company initially refused the customer's application for a leakage allowance. However, in light of the circumstances of the case, the company referred the matter to RST Water on 12 December 2018 and a NRTS allowance of 254 m³ was approved on 21 January 2019. The allowance has been credited to the customer's account. The company disputes liability to pay compensation for distress and inconvenience, stating that it has provided its service in accordance with the Guaranteed Standards Scheme guidelines set out by the industry regulator, OFWAT.

The company has not made an offer of settlement.


Findings

The evidence provided shows that RST Water authorised a NRTS allowance of 254 m³ on 21 January 2019. However, the customer's bill, dated 21 January 2019, appears to show that the company only applied a credit of 190 m³ and the discrepancy has not been explained. Therefore, I direct the company to apply a further allowance of 64 m³ to the customer's account or, alternatively, provide evidence to show that it has provided the customer with the full allowance of 254 m³, as authorised by the RST Water. The customer has not been supplied with an explanation of how RST Water calculated the allowance and I direct the company to request this information from RST Water and supply it to the customer if received. The company states that it contacted RST Water and enquired about a leakage allowance on behalf of the customer on 20 and 23 July 2018, however, no substantive evidence to support that an application was made to RST Water on these dates has been provided. The only evidence demonstrating that the company requested RST Water to assess the customer's eligibility for a leakage allowance is dated 12 December 2018. In view of the lack of evidence provided by the company, I find that the company has not shown on the balance of probabilities that it contacted RST Water to request a leakage allowance for the customer before 12 December 2018 and, as such, I find that the company failed to provide its service to the standard reasonably expected by the average customer. Furthermore, I find that the stress and inconvenience suffered by the customer was exacerbated and prolonged due to the company's failure in this regard and, consequently, I find it appropriate for the company to compensate the customer for distress and inconvenience. However, I find the amount claimed disproportionate for the level of stress and inconvenience shown in the evidence provided by the customer.

Outcome

The company shall request a breakdown of the leakage allowance calculation from RST Water and supply it to the customer if received. The company shall provide the customer with a further NRTS allowance of 64 m³ or, alternatively, provide evidence to show that it has credited the customer's account with the

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full allowance of 254 m3 as authorised by the RST Water. The company shall pay the customer £150.00 in compensation for stress and inconvenience (this can be applied as a credit against the customer's account balance).

The customer must reply by 4 April 2019 to accept or reject this decision.

ADJUDICATOR'S DECISION

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that the bill he received dated 6 April 2018 was based on an estimate, despite the meter being read on 7 April 2018.

- In response, the company reiterated that he had not applied for the allowance within three months of the leak being repaired and, as such, he had not complied with RST Water's leakage policy. Consequently, the company stated that RST Water would not grant an allowance. The company also asserted that RST Water would not grant an allowance for the lost water element of the claim in any event, as the leak was on the customer's property and not the responsibility of RST Water.
- He has been dealing with this complaint for over six months and it has been very stressful. He has found it difficult to complete the forms and has been unable to sleep at night due to worrying about how his complaint will be resolved.
- When he applied to WATRS he claimed an unspecified sum as a leakage allowance but, since making the application to WATRS, the company has asked RST Water to consider his application and RST Water has granted a NRTS allowance of 254 m³. The company applied an allowance of £203.32 for 190 m³ of sewerage to his bill dated 21 January 2018. However, he has not been provided with a breakdown of RST Water's calculation of the leakage allowance granted.
- He claims £300.00 in compensation for stress and inconvenience caused by the company's failure to resolve his complaint earlier.

The company's response is that:

- RST Water is the wholesaler for the customers' water and sewerage supply, whilst the company is the customer's retailer for both elements. The policy on leakage allowance is owned by RST Water and is stated within its annual charges policy.
- The customer first made contact with regard to the leak on 12 July 2018 as he had received a bill for £639.20. This bill was based on an actual meter reading it had received on 7 April 2018. The customer was concerned as the meter chamber was full of water and suspected there may be a leak at the meter. On 13 July 2018, a job was raised with RST Water for an engineer to attend the customer's property.
- On 17 July 2018, the customer sent an email confirming that an engineer from RST Water had attended his property and had found no leak, but the customer stated that his property had suffered a leak four to five months previously and he requested a leakage allowance. The telephone advisor requested further information about the leak and when it was repaired, and provided the customer a copy of RST Water's leakage allowance policy which states that an allowance must be requested within three months of a repair.

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- RST Water's notes from the visit to the customer's property state "RST technician attended 17/07/2018. Leak detection was carried out but nothing found. The meter is still and not registering any leak. Customer explained that a few months ago whilst he was away on holiday there was a leak that he repaired once he got back so the high bill will be reflecting this. Visit fee applied."
- The advisor contacted RST Water on 20 July 2018 and 23 July 2018, however, RST Water confirmed that an application would fall outside of the three month eligibility window and would therefore be refused.
- On 20 July 2018, the advisor explained to the customer that he could not apply for a leakage allowance due to the limits of RST Water's leakage policy. The customer responded by saying that he would have applied for the allowance earlier if the meter had been read in March 2018 and his bill had not been based on an estimate.
- It is obliged to read the meter twice a year and has read the customer's meter in line with the market codes. Therefore, there has been no failing on the company's behalf in this regard.
- It logged the customer's complaint on 24 July 2018 and the advisor provided a stage 1 response that reconfirmed RST Water's leakage policy. This was subsequently escalated to a stage 2 response on the same date and a response was issued on 6 August 2018.
- It received a pre-investigation e-mail from CCWater on 26 November 2018, followed by a formal investigation on 5 December 2018, asking it to apply to RST Water for an allowance as their engineer had advised the customer that he would be able to claim a leakage allowance, even though it was outside the eligibility timescale. It raised the issue with RST Water on 12 December 2018 and a response from was received on 15 January 2019 approving a sewerage allowance of 254 m3.
- A new bill was issued on 21 January 2019, showing the allowance had been applied, and providing a new balance of £424.92.
- In view of the above, it has fulfilled its obligation to act as an intermediary between the customer and RST Water.
- It disputes liability to pay compensation for inconvenience and distress, stating that there has been no service failures on the customer's account and all service level deadlines were met.

How is a WATRS decision reached?

In reaching my decision, I have considered two key issues. These are:

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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. Having reviewed the evidence provided by both parties, I find that the company is the customer's retail provider and is responsible for billing, accounting and customer services. RST Water is the customers' wholesaler and, as such, is responsible for the maintenance and repair of the water and sewerage assets and, in the event of leaks, the calculation and authorisation of leakage allowances. Therefore, RST Water, not the company, was responsible for assessing the customer's eligibility for a leakage allowance, and the company was responsible for applying the authorised leakage allowance to the customer's account.
2. In order to make a decision in this matter I must clearly distinguish between actions taken by the wholesaler and the duty owed by the retailer (the company) to its customers. Since the water market in England opened up to retailers in April 2017, all non-household customers have been moved to a wholesale/retail split service. As a result, a non-household customer now only has a relationship with the retailer. In turn, an adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, as the party to the case, has responsibility, and not those things for which the wholesaler has responsibility. This includes, however, the effectiveness with which the retailer has operated as an intermediary between the wholesaler and the customer.
3. The parties agree that a NRTS allowance of 254 m³ has now been granted by RST Water to the customer following the leak at his property. I also accept this to be the case as the memo

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dated 21 January 2019 supplied in evidence by the company states “The wholesaler have responded and agreed due to the circumstances to apply a non return to sewer allowance for 254m³ which is for the water lost during the leak which did not enter the sewerage system.”

4. However, in the customer’s comments on the company’s defence, the customer states that the company has not provided a breakdown of the allowance granted so he can only assume that it is correct. Due to the fact that RST Water had not granted the allowance at the time of the customer’s application to this scheme, the company has not had the opportunity of responding to the customer’s concern in this respect. Therefore, in order to fully resolve the dispute between the parties, I find it appropriate to address this issue in my adjudication.
5. Although the allowance form in Appendix 6 of the company’s defence provides some information about the way in which RST Water calculated the allowance, I find that the information contained within this document is unclear and it is not presented in a ‘customer friendly’ format. I am mindful that RST Water, not the company, calculated the allowance and the company may not hold information regarding how the allowance was calculated but, in order to facilitate the customer’s understanding of how RST Water has calculated the allowance, I direct the company to request this information from RST Water and provide it to the customer if received. As stated above, I am unable to direct RST Water to supply this information as RST Water is not a party to this case.
6. I note that the bill dated 21 January 2019 shows a credit for 190 m³ of sewage, amounting to £203.32, rather than a credit of 254 m³, as agreed by RST Water. The company has not explained the discrepancy and, consequently, I cannot find on the balance of probabilities that the company has provided the customer with the full NRTS allowance entitlement of 254 m³ agreed by RST Water. Therefore, I direct the company to provide the customer with a further 64 m³ of NRTS allowance, or provide evidence to demonstrate that the full allowance of 254 m³ has already been applied, or will be applied, to the customer’s account.
7. The customer claims £300.00 for distress and inconvenience suffered during the complaint and, having reviewed the evidence, I accept that the customer found the way the company dealt with the complaint very stressful and that he suffered sleepless nights worrying about whether the issue would be resolved.

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8. The evidence demonstrates that the customer first asked the company to apply a leakage allowance to his account on 24 July 2018. Furthermore, in CCWater's pre-investigation letter dated 26 November 2018, the company was also asked to approach RST Water with a request to consider the customer's application for a leakage allowance. However, the evidence supplied by the company does not demonstrate that the company asked RST Water to assess the customer's application before 12 December 2018 and the 'Request for an allowance to wholesale charges', attached as Appendix 5 to the company's defence, does not refer to earlier leakage allowance applications made by the company on behalf of the customer. Therefore, the evidence does not persuade me that the company referred the customer's application to RST Water before 12 December 2018. If the company had asked RST Water to assess the customer's application in response to the customer's complaint in July 2018, or following CCWater's initial request in November 2018, I find that the customer's complaint is likely to have been resolved earlier. Although I am mindful of the fact that RST Water, not the company, was responsible for authorising the leakage allowance, it is the company's responsibility to act as an intermediary between the customer and RST Water and, having reviewed the evidence, I do not find that the company fulfilled this responsibility to the standard the customer could reasonably expect.
9. However, for completeness I state that the company are authorised to use estimates under OFWAT guidelines as long as it reads the meter at least once every two years, which the company has done. Therefore, I do not find any failing on the company's behalf because it sent an estimated bill to the customer dated 6 April 2018, rather than a bill based on a meter reading. Furthermore, I do not find that the company has failed to provide its service to the standard the customer could reasonably expect by failing to read the customer's meter in March 2018.
10. In view of the above, I accept that the stress and inconvenience suffered by the customer will have been exacerbated and prolonged by the company's failure to address the complaint to RST Water before 12 December 2018. I consider it fair for the company to pay the customer a measure of compensation for the stress and inconvenience caused as a result of its failing. However, I find that the customer has not provided substantive evidence to demonstrate that the level of stress and inconvenience suffered warrants the level of compensation claimed. I direct the company to pay the customer in the amount of £150.00 and I am satisfied that this amount is proportionate to the level of distress and inconvenience shown in evidence.

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Outcome

The company shall request a breakdown of the leakage allowance calculation from RST Water and supply it to the customer if received. The company shall provide the customer with a further allowance of 64 m3 for sewerage or provide evidence to show that it has credited the customer's account with the full allowance of 254 m3 as authorised by RST Water. The company shall pay the customer £150.00 in compensation for stress and inconvenience (this can be applied as a credit against the customer's account balance).

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 4 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.

KS Wilks

Katharine Wilks

Adjudicator

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