

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1210

Date of Decision: 25 January 2019

#### Complaint

The customer submits that in November 2018, he received a letter informing him that his Direct Debit had been cancelled. He contacted the company and during the call he was told that his bill was £26,172.70. He was shocked. His business is a kebab house and could not have used that much water. His plumber subsequently found that when the company fitted the new meter, the old connection had not been removed. The company has stated that this theory is not possible and insists that there was a leak. His bill then went up to £38,998.55. The company has incorrectly billed the new tenant some of this amount, although he has told the company on a number of occasions that he is the only person responsible for the account. The company provided a poor level of service during the complaint. [ ], a member of the company's staff, also acted unprofessionally. The customer requests that the company pay an unspecified amount of compensation and reduce his bill to an average of £1,150.00 for the period April 2015 to October 2018. The customer also requests that Ms [ ] provide a personal apology.

#### Defence

The company submits that it was first contacted by the customer on 21 November 2017 in relation to the balance on the account. During several calls on this date, the customer was advised to check for a leak. It was concluded that the bill was high as the account had not been invoiced prior to the migration as part of the market opening. At this time the customer also requested that a supply check was completed; however, it confirmed that a supply check would not determine if there was a leak and that it was the customer's responsibility to maintain the pipework on his side of the meter. It offered the services of its Value-Added Service team (VAS), who could offer leak detection at a cost payable by the customer. The customer refused this option and asked for the wholesaler to attend the site. The wholesaler inspected the water meter and supply on 19 May 2018. The report confirmed that the correct meter was onsite. The wholesaler has confirmed that there was a leak on the private side of the meter in July 2015, which the customer had been informed was his responsibility to repair. The consumption for the property would indicate that this repair was not carried out in August 2015, as advised by the customer, but in either late December 2017 to early January 2018. No new connections were made at the property. As the leak was not repaired in accordance with the wholesaler's 28-day policy, no allowance will be granted. The account was closed following the information received from the customer's brother to explain he was now responsible for the property. If

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the customer is still responsible he would need to provide proof of this. It apologises for the level of service provided by Ms [ ] and has enclosed a written apology to the customer from Ms [ ]. It also acknowledges that the customer journey could have been better. It could have re-iterated to the customer on numerous occasions that his consumption had remained high, that the leak was ongoing, and that a repair was required. It has applied £300.00 to the customer's account as goodwill gesture.

### 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. The company's duty is to contact the wholesaler and raise any claims or query any decisions on the customer's behalf. The company failed in its obligations to the customer by: not raising the customer's queries about the high consumption with the wholesaler in a timely manner; failing to inform the customer of the wholesaler's request for further evidence; failing to bill the customer until the customer raised the matter; errors and/or confusion with its bills; not informing the customer about the correct procedure for reverting the account back to his name during the complaints process; and providing a poor level of customer service during the complaint process. The company should pay the customer further compensation for these failings. The company is not responsible for granting any volumetric allowances/amendments, this is the responsibility of the wholesaler. I can therefore not direct the company to meet the customer's request to reduce his bills. I find no failing on the company's part in relation to the cancelled Direct Debit. The customer's request that the company provide a written apology from Ms [ ] has been met.

### Outcome

The company needs to take the following further action:

(1) I direct that the company forward the wholesaler's request, set out in its correspondence of 2 October 2018, to the customer. If the customer provides the information requested, the company should then send this to the wholesaler for its consideration. (2) I also direct that the company pay the customer further compensation in the sum of £450.00.

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

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1210

Date of Decision: 25 January 2019

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

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

- In November 2018, he received a letter informing him that his Direct Debit had been cancelled. He contacted the company. He had first set up a Direct Debit in April 2015 but since then he had not received any bills or correspondence from the company about his usage. During the call he was told that his bill was £26,172.70. He was shocked and informed the company that the business was a kebab house and that he could not have used that much water.
- The company insisted the bill was correct but could not tell him where the meter was or why he had not been billed for two and a half years. The staff members he spoke to promised to find out why. The next day he received 15 water bills by post. These showed two different account numbers. He contacted the company and was eventually given the correct account number.
- He eventually got his own plumber and the Landlord to search for the problem. His plumber found that, when the new meter was fitted, the old connection was not removed, so a stop valve was placed between the old and new connection, which stopped the water meter spinning.
- The company and one of its Engineer who visited the property, has stated that this theory is not possible and has insisted that there was a leak. He knows that the old and new meters are connected somehow because when he switches off the water at the mains, he still has water in the shop. He asked the engineer to explain this but the engineer had no answer.
- His bill then went up to £38,998.55. However, the company has incorrectly billed the new tenant some of this amount. He has told the company on a number of occasions that he is the only person responsible and that any bill from April 2015 to October 2018 is his responsibility. He is

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happy to pay the company £1,150.00 per year, which is the average amount he uses in the shop.

- The company provided a poor level of service during the complaint. He had to call on numerous occasions and was placed on hold for long periods. The company failed to provide promised call backs. Ms [ ], a member of the company's staff, also acted unprofessionally, refused to take his call and told staff to hang up on him.
- The customer requests that the company pay an unspecified amount of compensation for the two years of him trying to sort out the problem, and that the company reduce his bill to an average of £1,150.00 for the period April 2015 to October 2018. The customer also requests that Ms [ ] provide a personal apology.

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

- It was first contacted by the customer on 21 November 2017 in relation to the balance on the account, which was £26,172.70 in debit.
- During several calls on this date, the customer was advised to check for a leak. It was concluded that the bill was high as the account had not been invoiced prior to the migration to [ABC], as part of the market opening.
- At this time the customer also requested that a supply check was completed; however, it confirmed that a supply check would not determine if there was a leak and that it was the customer's responsibility to maintain the pipework on his side of the meter. It offered the service for the Value-Added Service team (VAS), who could offer leak detection at a cost payable by the customer.
- The customer refused this option and asked for the wholesaler to attend the site. It requested this, and an inspection of the water meter and supply was completed on 19 May 2018. The report confirmed that the correct meter onsite was supplying the property.
- It has liaised with the wholesaler whilst investigating this complaint into the billing on the account. The wholesaler has confirmed that a visit had taken place previously, on 9 July 2015, to investigate a leak following an initial visit by a meter reader who advised the meter was spinning.
- The engineer confirmed during this visit that the meter fed both the customer's property and the flat, so the customer was aware of this previously.
- On 15 July 2015, the chamber was cleaned out and the meter was replaced due to its age. The engineer issued a defective fitting notice to the customer to advise that there was a leak on the

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private side of the meter and this would be his responsibility to repair. No new connections were made at the property.

- Following the installation of the new meter the consumption immediately increased, which would indicate the old meter had been under recording.
- The engineer returned to the property on 27 July 2015, where it was confirmed the leak had not yet been repaired. Two further visits on 14 August and 21 August 2015 also confirmed that the leak remained un-repaired. Due to this, a further notice was issued to the customer.
- It was reported by the customer that the repair of the private leak was carried out on 29 August 2015. The customer has not provided any evidence to support this.
- Albeit that the customer advised that the leak was repaired, his consumption remained high until a decrease was seen in January 2018. The consumption for the property would indicate that the repair was not carried out in August 2015, as advised by the customer, but in either late December 2017 to early January 2018. Negligence on the customer's part in allowing a leak to occur has resulted in the large balance on the account of £13,073.47.
- As the leak was not repaired within the wholesaler's 28-day policy, no allowance will be granted by the wholesaler or ABC in this instance. The billing on the account is correct in relation to the water that has passed through the meter. Therefore, no amendments are required to the billing as this is correct.
- Between April 2018 and June 2018, it had received correspondence from a Mr [ ], advising he was now responsible as of 1 April 2017. Mr [ ] also sent evidence in to support this. A change of occupier was completed on the account and the customer's account was closed with effect from that date. This meant the balance changed as the billed period for the customer was from 23 March 2015 to 1 April 2017. If the customer is still responsible, he would need to provide proof of this including Business Rates and a tenancy agreement. This would result in the change of tenancy being reversed and any charges from the point of the change of tenancy would be invoiced to the customer.
- It apologises for the level of service provided by Ms [ ] and has enclosed a written apology to the customer from Ms [ ]. It also acknowledges the customer journey could have been better. It could have re-iterated to the customer on numerous occasions that his consumption had remained high and the leak was ongoing, and that a repair was required. This had previously been made clear to the customer and this was his responsibility, but it did have the opportunity to reinforce this. Therefore, following a full investigation on this case, it has applied a goodwill gesture of £300.00.

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## 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?

### ***Consumer Council for Water (CCW)***

1. I acknowledge the customer's complaints about CCW. However, for the purposes of this decision my remit is to determine the issues between the customer and the company. Any complaints against CCW cannot be considered.

### ***Wholesaler and Retailer***

2. 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.
3. 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 relationship with the retailer only. Under the Water Redress Scheme, a customer can only make

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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.

4. 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.
5. It falls outside of my remit to consider any claims or complaints against RST.

### ***High consumption***

6. It is not in dispute that there was high consumption recorded at the property. This was discovered by the customer in November 2018 when he contacted the company to raise an issue about the cancellation of his Direct Debit.
7. The evidence shows that RST, and not the company, is responsible for determining high consumption claims and granting any volumetric allowances/amendments. The company's duty was to contact the wholesaler and raise the customer's complaint about the high consumption recorded.
8. The evidence does confirm that the company contacted RST on the customer's behalf and queried the issue with the wholesaler. However, it is not clear that the company did so in a timely manner. The company states that when the customer first made contact on 21 November 2017 in relation to the balance on the account, he requested that a supply check was completed. The company states that it confirmed to the customer that a supply check would not determine if there was a leak. However, I am mindful the account notes submitted by the company indicate that at the time the company was not aware of the history of the customer's account and the leak detected in 2015, and that the company itself was unsure if the customer was on a shared supply or if there was a problem with the meter, both of which may have been causes for high consumption readings. That being the case it is not clear why the company did not raise the matter with the wholesaler immediately. The evidence indicates that the company may have only contacted the wholesaler on 22 December 2017, nearly a month later. Further, the evidence also shows that the wholesaler did not visit the customer's property to inspect the water meter and supply until 19 May 2018; some five months later. Again the company does not

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explain why there were such a long delays, and that the fault does not lie with it. In addition, the evidence submitted to this adjudication also indicates that it was only after the customer escalated the matter to CCW, that the company obtained information from the wholesaler about the series of events that occurred with the customer in 2015, on 2 October 2018, nearly a year later. In conclusion, the company was unsure of the cause of the high consumption recorded and despite requests from the customer to liaise with the wholesaler, the company delayed in doing so, for what the evidence suggests was a considerable time. In the absence of any evidence showing otherwise, I find that the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

9. The company has submitted correspondence dated 2 October 2018 from RST which confirms its submissions that in July 2015 the customer was made aware that there was a leak on the private side of the meter, which was his responsibility to repair. The company has also submitted evidence of the customer's meter readings from March 2015 to October 2018, which support its submissions that readings for the property indicate that the repair was not carried out in August 2015 but in either late December 2017 to early January 2018. I also note that in its 2 October 2018 communication with the company, RST also denied the customer's submissions that, when the new meter was fitted in 2015, an old connection was not removed. However, I am mindful that the evidence also shows a degree of uncertainty on RST's part in its response and that RST also requested that the customer provide further evidence.

10. RST stated:

*"I am unsure what supply we have left open as we only took the old meter out of the atplas chamber and fitted a new meter..."*

*...The customer would need to provide us with evidence to show (pictures and invoices for the works) to explain what pipe was left open by [ ] or a sketch. We would need to know when the repair was made and have reads been taken after to confirm that consumption has reduced and is back in line with normal usage?"*

11. No clear evidence has been provided to show that the company informed the customer of RST's request for further evidence. The company's subsequent letter to the customer of 4 October 2018 omits this request. The company has not explained why. I acknowledge that an inspection

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of the water meter and supply had been completed on 19 May 2018, which raised no concerns. However, given the size of the balance currently outstanding and the wholesaler's 2 October 2018 communication, I find that it would have been fair and reasonable for the company to have informed the customer of the wholesaler's request and given the customer the opportunity to provide further evidence, if available. I find that the company has failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

### **Billing**

12. It is not in dispute that the company did not issue a bill to the customer until he made contact in November 2018 to raise a query about the cancellation of his Direct Debit.
13. For the avoidance of doubt, 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. Customers share the responsibility to check their consumption by taking regular meter readings. I am mindful that companies may not be required to read meters more than once or twice a year. 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.
14. Notwithstanding the above, I find that companies have a duty to notify customers of charges levied on their accounts. However, customers must also bear some responsibility for their accounts in this regard. The customer has not provided any explanation as to why he did not alert the company to the fact that he was not receiving bills.
15. The company submits that the account was not invoiced prior to the migration as part of the market opening. However, the company has not explained why it did not invoice the customer once it took over the account after market opening. In the absence of evidence showing otherwise, I am not satisfied that the company provided its services to the customer to the standard to be reasonably expected by the average person in this regard. However, as discussed above, the customer must also bear some responsibility for not alerting the company to the fact that he was not receiving bills. In addition, the company is also only liable for this failing from 1 April 2017 when it took over the account. I must take these two factors into account in my findings for compensation below.

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16. The company does not refute the customer's submissions that when he received the backdated bills, two account numbers were initially given on the bills and that he had to contact the company to try to rectify the matter. The company's account notes also indicate that there was some confusion and/or error with the billing initially. In the absence of any evidence from the company to show that any errors with the account were not its fault, I find that the company also failed to provide its services to the customer to the standard to be reasonably expected by the average person in this regard.

### ***Direct Debit***

17. I note the customer's submissions about his Direct Debit. However, no evidence has been submitted to show that the cancellation of the Direct Debit was the company's fault. I am mindful that any errors may be the fault of the bank, for example. Therefore, in the absence of any evidence showing otherwise, I am unable to find a fault on the company's part in this regard.

### ***New Tenant***

18. The customer states that he has told the company on a number of occasions that he is the only person responsible for the account and that any bill from April 2015 to October 2018 is his responsibility. The company contends that a Mr [ ] confirmed that he would be responsible for the property as of 1 April 2017. The company has submitted a completed New Customer form dated 13 July 2017 to support its submissions.

19. However, I also note that the account notes show that on 13 September 2018, the customer requested that the account be transferred back to him. The company told the customer to put the request in writing. Later on the same day, the customer put his request in writing via an email to the company. This is shown in the company's account notes. I note the company's submissions in its Defence to WATRS, that if the customer is still responsible for the account he would need to provide proof of this including Business Rates and a tenancy agreement. However, there is no evidence to show that the customer was informed to do so at the time. In the absence of any evidence showing otherwise, I am not satisfied that the company provided its services to the customer to the standard to be reasonably expected by the average person in this regard.

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## **Customer service**

20. The company accepts that the level of service provided by Ms [ ] fell below the standard to be reasonably expected. I therefore find that the company failed in its obligations in this regard. However, I note that the company has issued a written apology from Ms [ ] to the customer as requested. I am satisfied that this is appropriate.
21. Having carefully considered the evidence, I also accept the customer's submissions that he had to chase the company on numerous occasions, and that the company was, on occasion, unable to provide him with information and/or provided him with unclear information about his account. I also 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**

22. In respect of the customer's request that the company reduce his bill to an average of £1,150.00 for the period April 2015 to October 2018, although I have found a number of failings on the company's part, as discussed above, the company is not responsible for granting any volumetric allowances/amendments, this is the responsibility of the wholesaler. This is therefore not a remedy I can direct the company to provide. However, bearing in mind my finding above that the company failed to inform the customer of the wholesaler's request and give the customer the opportunity to provide further evidence, I find it fair and reasonable in the circumstances to direct that the company forward the wholesaler's request, set out in its correspondence of 2 October 2018, to the customer. If the customer provides the information requested, the company should then send this to the wholesaler for its consideration. This direction is made in accordance with WATRS Rule 6.6 which provides that an adjudicator can award more than has been claimed by the customer in exceptional circumstances.
23. The customer also requests that the company pay an unspecified amount of compensation for the two years of him trying to sort out the problem. In light of my findings that the company failed in its obligations to the customer by not raising the customer's queries about the high consumption with the wholesaler in a timely manner; failing to inform the customer of the wholesaler's request for further evidence; failing to bill the customer until the customer raised the matter; errors and/or confusion with its bills; not informing the customer about the correct procedure for reverting the account back to his name during the complaints process; and

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providing a poor level of customer service during the complaint process, I am satisfied that the customer is entitled to a measure of compensation. I take into account the fact that the company is only liable for any issues from 1 April 2017, and that the customer must take some responsibility for his account. Having carefully considered the matter, I find the sum of a further sum of £450.00 to be a fair and reasonable level of compensation in the circumstances. For the avoidance of doubt, I acknowledge that the company has already applied £300.00 to the customer's account. I note that the company submits that this compensation was given as a goodwill gesture as it could have re-iterated to the customer on numerous occasions that his consumption had remained high and the leak was ongoing, and a repair was required. The failings set out earlier in this paragraph are not reflected in the sum already applied. I therefore direct that the company pay the customer further compensation in the sum of £450.00.

24. In respect of the customer's for a personal apology from Ms [ ], as discussed above, the company has submitted a letter of apology from Ms [ ] to the customer. This request has therefore been met and so I make no further direction.

#### **Outcome**

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

(1) I direct that the company forward the wholesaler's request, set out in its correspondence of 2 October 2018, to the customer. If the customer provides the information requested, the company should then send this to the wholesaler for its consideration. (2) I also direct that the company pay the customer further compensation in the sum of £450.00.

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

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 22 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.

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- 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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