

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1218

Date of Decision: 24 April 2019

#### Complaint

In September 2017, the customer received a bill ("the High Bill") that was well above the level of the bills that he had received previously from the company. However, no 'spike' in the customer's actual water consumption has ever been proven, either through leakage or misuse. The customer considers that the High Bill has arisen as a result of an error in the company's own billing data. He would like (1) the High Bill to be adjusted; (2) an apology from the company; and (3) compensation of £300.00, plus interest, for distress and inconvenience suffered.

#### Defence

The period of high usage has been classed as 'unexplained'. The evidence available from the company's technician suggests that there was an internal 'customer-side' leak. It has not been established whether this leak was on the private pipe externally or inside the property but either way, this would have been the customer's responsibility to locate and repair. An allowance of £135.20 ("the Allowance") and a £50.00 gesture of goodwill have already been credited to the customer's account. The company disputes that it is liable to make any (further) adjustment to the High Bill or to pay any compensation in this case.

No offer of settlement has been made.

#### Findings

It is accurate and fair to categorise the reasons why the High Bill came about in this case as 'unexplained'. The company was not at fault in approaching this matter in the way that it did. The basis on which the Allowance has been calculated is both reasonable and transparent. The Allowance was reasonable in amount. There was a failing by the company, however, to put its debt recovery procedures on hold whilst this adjudication was proceeding. The company should pay compensation of £30.00 to reflect that failing.

#### Outcome

The company needs to take the following further action:

I direct the company to pay the customer £30.00 in compensation.

The customer must reply by 23 May 2019 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1218

Date of Decision: 24 April 2019

## Party Details

Customer: [                 ]

Company: [                 ].

## Case Outline

### The customer's complaint is that:

- In September 2017, he received a bill for £313.53 ("the High Bill") that was well above the level of the bills that he had received previously from the company.
- He was concerned about this because the company:
  - could not seemingly prove the amount of water that had been recorded by the meter. (The company conceded that there could have been 'mis-reads' of the meter);
  - initially said that he had a leak (but a visit by a plumber could find no evidence to suggest that this was the case);
  - was unable, generally, to provide an adequate explanation of the reason for the High Bill.
- As a gesture of goodwill, the company granted an allowance of £135.20 ("the Allowance") in the customer's favour. The customer, however, was dissatisfied by this gesture because:
  - the company previously offered £193.00 but then reneged on that offer; and
  - £135.20 does not amount to a genuine allowance because it fails to factor in the full differences in consumption (over the half-term period, for example, when no-one was at the property and) for when there were less people living at the property than previously.
- He complains that:

*"... [the company's] spins about their own meter readings being incorrect in the past were a lie, and an attempt at misleading [him], as was their initial insistence that [he] had a leak ... they totally disregarded the user profile and seasonal changes over the periods in question, etc ..."*

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- The customer is also unhappy at the company's decision to instigate debt recovery measures against him. He feels that, in the circumstances, he should not have been pursued for the charges in question.
- In light of all of this, the customer would like:
  - the High Bill to be adjusted to reflect the fact that no 'spike' in his actual water consumption has ever been proven - either through leakage or misuse. Rather, as the customer sees it, the High Bill has arisen as a result of an error in the company's own billing data. (Furthermore, the company has not substantiated the Allowance or gestures that they have offered in proposed resolution of the complaint); and
  - the company to apologise; and
  - payment of compensation of £300.00, plus interest, for distress and inconvenience suffered.

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

- It contests the claim because there is no evidence that the period of high use was due to something other than actual consumption or the water running to waste.
- It refers to its visit to the property on 18 October 2017 when its technician confirmed that there was movement on the meter with no visible use, thus indicating a 'customer-side' leak. Whilst the customer has always taken issue with this, there has been no evidence to support his position (for example, a private plumber's report showing that the internal pipe work has been checked and no leaks found).
- When the company attended the property again, in March 2018, it was confirmed that there was no movement on the meter and no faults were found.
- The High Bill period ran from March to September 2017 and it was in October 2017 that the company's technician confirmed an internal issue at the property. The company says that this further supports its position that it has never been disproven that the High Bill resulted from actual usage.
- It is acknowledged that it was suggested initially it was possible that previous meter readings between September 2015 and 2017 could have been wrong. That was, however, only an opinion expressed by one of the company's agents. There is no evidence to suggest that this was in fact the explanation.
- The company refers to extracts from its billing system and emphasises that all the readings in question were actual readings.
- There is currently £247.00 outstanding on the customer's account.

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- As against the High Bill, the Allowance of £135.20 was credited and the customer made a part payment of £120.00. That left an outstanding balance of £58.33 (“Amount Overdue”).
- The company subsequently issued two bills:
  - first for £264.78 (£58.33 of which was the Amount Overdue), covering the period between 14 September 2017 and 17 April 2018. Towards this bill, the customer then made payments:
    - of £15.65 on 24 April 2018, leaving £249.13 outstanding (of which, again, £58.33 was the Amount Overdue);
    - of £120.00 on 15 May 2018, leaving £129.13 outstanding; and
  - second for £297.00 (which included the £129.13 mentioned above as outstanding), covering for the period between 17 April 2018 and 6 October 2018. The company then added a goodwill payment of £50.00 to the customer’s account on 4 January 2019, reducing the balance outstanding to £247.00.
- No further payments were received from the customer and that is why the company then continued to pursue its debt recovery process.
- Following the company’s £50.00 goodwill payment (deducted from the Amount Overdue effectively), the company mentions that - in respect of the High Bill - £8.33 is all that remains under dispute.
- As to the customer’s request that the High Bill be adjusted, the company points to the Allowance of £135.20 that it has already granted. This was credited to the customer’s account in March 2018.
- It is not accepted that the High Bill was in any way related to errors in billing data. The company says that there is no evidence to support this and adds that:
  - the fact that the customer’s usage has reduced since September 2017 rules out any fault with the water meter. This is because, typically, meters tend to slow down and stop. They do not speed up or correct themselves;
  - rather, the implication is that water was either used or ran to waste.
- As to how the amount of the Allowance was arrived at, the company calculated this by reference to the customer’s average daily usage (“ADU”) after the High Bill. The approach is the same as would be taken when working out a leak allowance. The company says that it detailed its calculations in its email to the customer of 29 March 2018. It explained that it used the customer’s ADU after the period of high consumption to calculate the difference between:
  - what was recorded on the meter; and
  - what the customer would have been charged during the relevant period based on his

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most recent consumption.

- The Allowance was granted only as a gesture of goodwill because, from the company's perspective, there is no evidence to suggest that the water was not in fact used over the period in question.
- A gesture of £50.00 was initially offered in January 2018 on the basis that the meter readings prior to September 2017 may have been wrong. The customer declined this offer.
- In the company's email of 11 December 2018, it then offered either to credit the customer's account with the gesture of £50.00 (previously declined) or to send this amount to him as a cheque. Ultimately, the £50.00 was credited to the customer's account on 4 January 2019 following the closure of the customer's case with CCWater.
- In summary, therefore, the company's position is:
  - that the period of high usage has been classed as 'unexplained'. This is in the customer's favour as allowances are not always granted for internal leaks;
  - that the only indicative evidence is the 18 October 2017 confirmation that the company has from its technician (i.e. that there was an internal 'customer-side' leak). It has not been established whether this leak was on the private pipe externally or inside the property but either way, it is submitted that this would have been the customer's responsibility to locate and repair;
  - that the Allowance of £135.20 and the £50.00 gesture of goodwill have already been credited to the customer's account. The company disputes that it is liable to make any (further) adjustment to the High Bill or to pay any compensation in this case.

### 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.

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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 documents (or sections of documents) that I have reviewed in particular include:
  - a. the 'Additional Evidence' items submitted alongside the customer's WATRS application form; and
  - b. the 'chain of events' set out on pages 1 to 6 of the company's defence; and
  - c. the appendices to the company's defence.
2. I have also had the benefit of reading the customer's comments, which were filed by way of reply to the company's defence.
3. I have focused on the company's email to the customer of 29 March 2018. In that email, under the heading '**Unexplained High Usage**', the company's representative said:

*"... I'm unable to explain why there was high usage on your meter for the period 13 March 2017 to 14 September 2017; however this may have been due to an incorrect read taken at the time ... I've now adjusted your account ... this gives a total allowance for the unexplained high usage of £135.20. This allowance [i.e. the Allowance] has now been applied to your account and there is a balance outstanding of £58.33 ..."*

4. The customer then emailed (at 19:05 that same day, 29 March 2018) rejecting the Allowance and replying:

*"... So in conclusion this is where we are:*

- i. Your meter, or meter reading, is faulty/incompetent*
- ii. I overpaid you for March - September 2017*
- iii. You owe me compensation for my time and stress, lying to me etc. I thus seek £200 payment from you. Failing this I shall put the matter to the Ombudsman*

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- iv. *You do not know why we had that absurd bill, three times our normal water usage, and I am concerned that this may recur as clearly the technical issue is on your side. How are you going to address it? ...*
5. I note the customer's assertion that it was 'clear' that the High Bill had arisen due to a technical issue on the company's side. Having examined all the available evidence, however, I cannot see that any such 'clear' conclusion can be drawn. For its part, in its defence, the company maintains that "... *the period of high usage has been classed as unexplained ...*" I find that it is accurate and fair to categorise the reasons why the High Bill came about in this case as 'unexplained'. From the customer's point of view, I quite appreciate that this is not very satisfactory but this does appear to be a situation where no definitive explanation has presented itself.
6. I turn next to the implications of the reasons for the High Bill being unexplained. The parties are directly at odds on this issue:
- the customer describes the High Bill as "*absurd*" and "*astronomical*" - he contends that the amount over and above his 'normal' charge should not be payable because the company is unable to prove that the amount of water recorded on the meter had in fact been used;
  - the company, however, adopts entirely the opposite position. It argues that it has never been disproven that the High Bill resulted from actual usage and, in such circumstances, the High Bill should be regarded as properly due and payable.
7. I understand why the company is taking the approach that it is. Ordinarily, to decide whether a leakage allowance should be credited against a high bill, it is first necessary to locate a leak on the customer's private pipework. In this specific case, however, no such leak has been identified (not definitively, at least).
8. Notwithstanding that no leak has been found, the company credited the Allowance to the customer's account (anyway) to the value of £135.20. I am not persuaded that the company was 'at fault' by taking this course of action. Given the way that the rules on leakage allowance work, it seems to me that the company could strictly speaking have insisted on full payment of the High Bill. However, that was not the path taken. The granting of the Allowance strikes me as a reasonable effort at compromise by the company. In this respect, therefore, I am satisfied that the company has provided its services to the standard that would be expected.

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9. I appreciate that the customer has rejected the Allowance. The points he makes are essentially that the Allowance (and for that matter, the £50.00 gesture of goodwill):
- a. are inadequate in amount; and
  - b. are not properly calculated or substantiated.
10. Having reviewed the company's email to the customer on 29 March 2018, however, I am satisfied that the way in which the Allowance has been calculated (as an adjustment) is both reasonable and transparent. I note the customer says that the High Bill was around £210.00 higher than the amount that he was expecting to pay. The company has credited £135.20 by way of the Allowance. £135.20 seems to me to be a fair amount - particularly in circumstances where, as I have found, the reasons for the High Bill having arisen were/are 'unexplained'.
11. In view of my findings above, I do not consider that it would be warranted to require the company in this instance:
- a. to apply any (further) adjustment or reduction to the High Bill (i.e. beyond £135.20); or
  - b. to apologise; or
  - c. to pay any of the £200.00 compensation that the customer was originally seeking.
12. There is, however, one separate element of conduct that I need to address. I see from the customer's emails of 27 March and 4 April 2019 that, for example, he received a letter from Moorcroft Debt Recovery Ltd (writing on the company's behalf). In those emails, the customer says that "... *in light of the persistent and pointless harassment by [the company] ...*" he is requesting "... *a further compensation of £100, in addition to the £200 ...*".
13. Whilst I do not consider that the company can be criticised for progressing its debt recovery procedures generally in this case, it seems to me that those procedures ought to have been put on hold whilst this WATRS adjudication was proceeding. In failing to put those procedures on hold, I find that the company fell below the relevant standard in the provision of its services. The customer asks for compensation of £100.00 in this respect. Given the very modest (additional) reduction to the High Bill that the customer was pursuing in this case, I consider that £100.00 would be too much to award. Also, the omission to put the debt procedures on hold was not, as I see it, a "*persistent*" failure. To reflect these factors, the amount of compensation that I shall direct the company to pay is £30.00.

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### Outcome

The company needs to take the following further action:

I direct the company to pay the customer £30.00 in compensation.

### What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 23 May 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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**Nik Carle**, LLB (Hons), Solicitor, DipArb, FCI Arb

**Adjudicator**

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