

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1242

Date of Decision: 24 April 2019

Complaint

The customer suffered a leak on site, identified through a large invoice. The wholesaler attended the site but was unable to find the location of the leak. The customer employed their own plumbers who found the leak underneath a building and repaired this. It took a long time to identify and repair the leak due to the limited hours that contractors could be on site during school time. The customer requests a leakage allowance due to their extenuating circumstances.

Defence

The wholesaler has a strict policy on leakage allowances. The customer's request for a leakage allowance has been refused as they failed to repair the leak within eight weeks of discovery. The company provided the wholesaler with additional information and asked them to reconsider the decision; however, the wholesaler has refused to grant an allowance.

Findings

The Water Redress Scheme is limited to reviewing the actions of the company only; it has no jurisdiction over the wholesaler. The company must charge the customer in accordance with the wholesaler's charging scheme and the readings on the customer's water meter. The wholesaler must grant any leakage allowance, especially where the allowance would be an exception to the published policy. The company has properly represented the customer's interests to the wholesaler and provided them with all relevant information. There was no basis for the retailer to be directed to make any further request to the wholesaler.

Outcome

The company does not need to take any further action.

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

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1242

Date of Decision: 24 April 2019

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- The customer identified a leak due to a larger-than-expected invoice. The wholesaler attended the site on a number of occasions but could not identify the location of the leak. The wholesaler did confirm that the leak was not on their side of the boundary. The customer employed their own plumbers who located the leak after extensive searching. The leak was located under a building within the school and it was not obvious to the eye that a leak was present. The time taken to identify and repair the leak was due to the limited hours that contractors could be on site during school time. The customer has requested the company to reconsider its position and award a leak allowance due to extenuating circumstances. The customer faces an unexpected bill of £50,000.00; school funds could be better used elsewhere. The customer made every effort to try and locate the leak in a timely manner and have this repaired. Circumstances meant this could not be achieved within the timescales outlined by the wholesaler's written policy. Despite acting responsibly to repair the leak, the customer's request for an allowance has been rejected.
- The customer requests a leak allowance be granted to reduce the bill.

The company's response is that:

- The company states that the wholesaler, [], has strict criteria stated within their policy on allowances. As a result of these criteria, the customer's request for a leakage allowance was declined. The leak was found to be on internal pipework and, as a result, it was the customer's responsibility to find, fix and repair. The school failed to repair the leak within 8 weeks of discovery

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and the allowance was declined as it did not meet the wholesaler's criteria. The time from discovery to repairing the leak was significant; the customer was informed of the leak in June 2017 and did not repair the leak until February 2018, some 8 months later. The company did re-present the customer's case to see if there were any further options with the wholesaler, however their decision stands and no allowance was given. The company has conducted a full review of the account and applied a £60.00 Guaranteed Standards Scheme payment and a credit of £40.00 as an apology.

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. The customer is claiming for a leak allowance to reduce the outstanding bill from its balance, as at the date of the defence, of £60,142.39. For the avoidance of doubt, the Water Redress Scheme Rules, at Section 6.4, limit any claim from a non-household customer to £25,000.00. The effect of this is that, should the decision find that an allowance should be granted, I am limited to awarding the maximum of £25,000.00.
2. It is also important to be clear as to the limits of the scope of the Water Redress Scheme in respect of the company. The company is a water retailer, billing the customer for the water services provided by the water wholesaler, RST Water. In order to make a decision in this dispute, I must

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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 and accounts 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, the adjudicator operating under the Water Redress Scheme may only make findings related to those things for which the retailer, a party to the case, has responsibility, but not those things for which the wholesaler has responsibility.

3. The company is responsible for reading the customer's water meter and billing the customer based on the meter readings. The wholesaler is the party responsible for the physical supply of water. The company must charge its customers based on the charges scheme implemented by the wholesaler.
4. Where a customer has a water meter fitted, the company must charge by reference to the actual water use recorded on the water meter. The exception to this is where a water meter is faulty, or where there is a leak at the water meter or within the boundary box. In the case of a leak to the meter or within the boundary box, the charges would be removed as the wholesaler is the party responsible for the equipment on which a leak was present.
5. In the case of a leak that occurs after a water meter, on a customer's private pipework, the company is entitled to charge for this water. This is because the water has been lost on the customer's premises, whether through use or a leak, and it is the customer's responsibility to maintain and repair their private pipework.
6. The wholesaler, as with many water companies, includes a leakage allowance policy within its charges scheme. The policy exists to motivate customers to act promptly to repair any leak on their private pipework. The wholesaler will apply an allowance to cover the cost of the lost water on the basis that the prompt repair has reduced the water loss overall.
7. The leakage allowance is a policy found in the wholesaler's charges scheme. The company must bill customers in accordance with the wholesaler's charges scheme. The effect of this is that it is the wholesaler, not the company, that must approve any exception to its charges scheme, such as extending the leakage allowance to a non-qualifying customer due to there being extenuating circumstances.

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8. The evidence shows that the customer first became aware of the presence of a leak due to a high water bill on 5 June 2017. The customer's evidence indicates that a total of four leaks were discovered and repaired. The first leak was identified through the 5 June 2017 bill and repaired on 24 February 2018; this leak is the main subject of this dispute due to the difficulty experienced in finding its location.
9. The second leak was discovered on 13 June 2018 and repaired on 16 June 2018. The third leak was discovered on 20 July 2018 and repaired on 23 July 2018. The fourth leak was discovered on 17 September 2018 and repaired on 18 September 2018.
10. The customer completed the relevant form to request a leakage allowance after the leak had been repaired. The wholesaler declined to award an allowance on the basis that the customer did not have the leak repaired within eight weeks.
11. I acknowledge the customer's emails indicating that the wholesaler has a 'Find and Fix' service that it makes available to business customers. The customer attempted to use this service; however, it took some time to arrange this. The wholesaler was also unable to locate the leak and the customer had to employ independent contractors.
12. As above, I am only able to review the actions of the company in respect of the customer's complaint. I acknowledge that the wholesaler appears to be, in part, a source of the delay in the main leak being found and repaired. The customer was also hindered in finding the leak due to the limited working hours for contractors within a live school.
13. However, the company is not able to grant a leakage allowance itself; the allowance must be granted by the wholesaler as it is an exception to the ordinary charges scheme. The role of the company is to represent its customers' interests to the wholesaler, including challenging the decisions of the wholesaler where necessary.
14. I am satisfied that the company did request the wholesaler to review the customer's leakage allowance request in light of the circumstances that materially restricted the customer's ability to find the leak. However, the wholesaler has repeatedly refused to grant a leakage allowance due to the time taken to find and repair this.

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15. For the avoidance of doubt, I am not able to direct the company to grant a leakage allowance. Under the Water Redress Scheme, I would only be able to direct the company to return to the wholesaler and escalate the request for the allowance. However, in reviewing the evidence, I am satisfied that the company has fully represented the customer's interests to the wholesaler, asking for the wholesaler's decision to be reviewed and providing the reasons why an exception to the leakage allowance policy should be made.
16. I am satisfied that the company has acted in the manner expected of a reasonable water supplier in how it has represented the customer's interests to the wholesaler. I am not persuaded that there has been any failure by the company to represent the customer's interests, or that a direction that it should contact the wholesaler again would have any effect on the wholesaler's decision. The wholesaler has been provided with all relevant information but has declined to change its policy in the customer's case.
17. In view of this, as I am not able to direct the company to provide the leakage allowance, and as the company has properly represented the customer's position to the wholesaler, the customer's claim against the company is unable to succeed.

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 23 May 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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A handwritten signature in black ink, consisting of a stylized, cursive 'A' followed by a long horizontal line that ends in a small flourish.

Alison Dablin, LLM, MSc, MCI Arb

Adjudicator

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