

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1264

Date of Decision: 15 March 2019

#### Complaint

The customer complains that he pays approximately £54.00 per month for unmetered water and sewerage services but similar properties in his neighbourhood, with comparable accommodation and without water meters, pay less. The customer is concerned that his charges are based on the rateable value (RV) of his previous property. The customer wants the company to amend his RV so his charges are commensurate with the charges paid by his neighbours.

#### Defence

The company states that the charges made for the customer's water and sewerage services are correct, assessed in line with the RV assigned to the customer's property by the Inland Revenue Valuations Office, and levied under its Annual Charges Scheme in accordance with Section 143 of The Water Industry Act 1991. The RV of the customer's property is similar to the RVs allocated to comparable properties in the customer's neighbourhood and, in any event, it has no power to change the RV of a property or charge the customer for unmeasured water and sewerage on an alternative basis. The only way to change the customer's charges is to fit a water meter at the customer's property; however, the customer does not want a water meter. The company has also offered to spread the customer's ten monthly instalments over twelve months to decrease the monthly payments.

The company has not made an offer of settlement.

#### Findings

I find that the company has charged the customer in line with the RV allocated to the customer's property by the Inland Revenue Valuation Office on 31 March 1990 and in accordance with The Water Industry Act 1991. I find that the company has no authority to change RVs and cannot use any other means for charging for unmetered water and sewerage. I find that the only alternative to the customer being charged for water and sewerage based on RV is for the customer to have a water meter fitted at his property, but the company has offered the customer a water meter and the customer has refused this offer. I do not find that the company has failed to provide its services to the standard one would reasonably expect by charging for water and sewerage as required by the Water Industry Act 1991 or by failing to change the RV of the customer's property. I also find no failing on the company's part for issuing the customer

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with payment reminders.

**Outcome**

The company does not need to take any further action.

The customer must reply by 12 April 2019 to accept or reject this decision.



and sewerage are based on the RV of a property, as per Section 145 of the Water Industry Act 1991.

- RVs were set by the District Valuer in accordance with the 1973 Valuation List, based on the property size, location and local amenities. With the introduction of the Community Charge on 1 April 1990, later changed to Council Tax, the 1973 Valuation List ceased to exist with effect from 31 March 1990. Water companies charge for unmeasured water based on the rateable value as at 31 March 1990.
- Therefore, it was not responsible for allocating the RV of 161 to the customer's property and cannot change it; alterations to RVs are not possible and there is no appeals procedure for disputing a RV allocated to a property.
- It disputes that the RV of the customer's previous property has been carried over to the customer's current property. Under the customer's postcode there are twenty five properties, fifteen of these have water meters and ten of these are billed on RV. The RVs are all slightly different, but most of the RVs are higher than the RV allocated to the customer's property.
- The only alternative to charging the customer on RV is to install a meter at the customer's property. The company carried out an assessment and found that a water meter would reduce the customer's charges; however, the customer declined its offer to install a meter.
- Whilst it cannot reduce the customer's unmetered charges, it has offered to reduce the monthly payments by spreading the annual cost of water and sewerage over twelve monthly instalments, instead of the ten monthly instalments currently paid by the customer.
- It accepts that the customer was sent payment reminders when he was not in arrears, but states that this was because the customer used an old reference number when he made the payments and, therefore, his account was not credited. To prevent this from happening again, it has sent the customer a new water card to use when making payments.

### 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

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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 all the evidence presented, I accept that the RV of a domestic property refers to the charging value allocated by the Inland Revenue's Valuations Office to a property for the purposes of billing for unmeasured water and sewerage services prior to the privatisation of the water industry in 1990. RV's for domestic properties were frozen in 1990 at which point the Inland Revenue's Valuations Office notified water companies of the RV assigned to properties in their area.
2. Since the Water Industry Act 1991 came into force, water companies continue to base unmeasured water and sewerage charges on RV but they have been required to set out their charges in an Annual Charges Scheme reviewed and approved by Ofwat, the industry regulator. Furthermore, under the provisions of the Water Industry Act 1991 water companies are prohibited from changing a property's RV. Unmeasured water charges based on RV are fixed and there is no appeals procedure for contesting a property's RV. The only alternative to paying charges based on RV is to have a water meter fitted. When a property is fitted with a meter, water and sewerage charges are based on the amount of water actually used.
3. Having assessed the evidence provided by both parties, I find that on the balance of probabilities the company is charging the customer in accordance with its Annual Charges Scheme and the charges are based on the RV of 161 allocated to the customer's property by the Inland Revenue's Valuations Office on 31 March 1990. I do not find that the RV allocated to the customer's property has been carried over from his previous property as there is no evidence that this is the case.
4. Having reviewed the provisions of the Water Industry Act 1991, I accept that the company has no power to change the RV of the customer's property or charge the customer for unmeasured water and sewerage on any other basis. I note that the company sent a letter to the customer,

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dated 24 October 2018, explaining RVs and how unmetered water charges are calculated, and advising the customer that the RV allocated to his property is in line with the RVs allocated to his neighbours' properties.

5. I accept the company's assertion that the only alternative to charging the customer based on RV is to fit a water meter at the customer's property. I note that the company advised the customer of this during a telephone call on 24 October 2018 and the customer was informed that, due to his low usage, a meter would more than likely reduce his charges.
6. In the letter supplied in evidence from the company to the customer, dated 24 October 2018, the company offered to install a water meter at the customer's property. However, the company's notes of the telephone call facilitated by the Citizens Advice Bureau on 13 November 2018 demonstrate that the customer refused the company's offer on the basis that he does not want a water meter.
7. In view of the above, and on the balance of probabilities, I do not find that the company has failed to provide its services to the standard one would reasonably expect by charging the customer based on the RV of 161, or by failing to reduce the customer's water and sewerage charges. Consequently, whilst I appreciate that this decision will disappoint the customer, the customer's claim does not succeed.
8. In the customer's letter to the company, received on 6 September 2018, the customer also complained that he had been sent payment reminders when he was not in arrears. The customer did not raise this issue in his application to this scheme, but for completeness I state that, having considered the evidence, I find that this problem occurred as a result of an old reference being used when the customer made the payments. In light of this, I find no failing on the company's part in regard to this matter.

#### **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 12 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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