

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1286

Date of Decision: 16 April 2019

#### Complaint

The customer indicates that his water services were previously charged by RV (Rateable Value). When his water service charges were switched to metered charges in 2018, he discovered that his bills were much cheaper. The customer states that, in 2016, he received a letter from the company stating that it may soon install a water meter at his property as part of a smart metering program. However, the company has explained that the program was suspended due to a large part of the local community raising objections to this. The customer is unhappy with the company because if it had installed the water meter in 2016, he would have been able to start saving money on his water services earlier. The company has explained to the customer that the letter was only advisory and not a conclusive promise that it would install a water meter at his property. However, the company does accept that its communications with the customer could have been better (in relation to the customer's later request for a water meter installation in 2018). Therefore, as a gesture of goodwill, the company only charged the customer for his fixed charges (not volumetric charges) between 12 March and 10 May 2018. It also provided him with compensation in the sum of £30.00 by way of an apology. The customer is not satisfied with this situation and believes that he should be entitled to a refund in the sum of £600.00 to £700.00 from the company.

#### Defence

The company explains that the customer was previously on RV as he had not requested to be placed on metered charges. The customer was always entitled to request a water meter installation (and to be charged through a water meter). The company explains that, in 2016, it sent a letter and brochure to the customer explaining that it might be installing water meters in the customer's area as part of a metering program. The company explains that this was an advisory letter and was not a guarantee that it would definitely install a water meter at the customer's property. Ultimately, due to the large numbers of objections raised by customers in the area, the program was suspended. The company confirms that the customer did not contact it to query about water meter installation until 2018. The company further confirms that following a water meter installation request in 2018, a water meter was installed at the

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customer's property. The company does not accept that it is obliged to provide the customer with a refund for his valid previous RV charges. Nevertheless, the company does accept that its communications with the customer could have been better (following the customer's water meter installation request in 2018). Therefore, as gesture of goodwill, the company only charged the customer for his fixed charges (not volumetric charges) between 12 March and 10 May 2018 (resulting in a credit of £142.36 being applied to the customer's account). It has also provided the customer with an additional £30.00 by way of a further apology for this issue. The company states that, in light of all the above, it does not accept any further liability for the customer's claims for redress.

### Findings

Based on the evidence provided, I do not find that the company has charged the customer incorrectly. Nor do I find that the company is under any obligation to provide the customer with the refund as claimed. I accept that there were issues with the company's communications in relation to the customer's eventual request for a water meter installation in 2018. However, I am satisfied that the company's remedial actions in response to this matter were fair and reasonable. Accordingly, I find no unresolved failures on the part of the company to provide its services to the standard to be reasonably expected.

### Outcome

The company does not need to take any further action. The customer is not obliged to accept this decision and is free to pursue redress through all other avenues as available to them.

The customer must reply by 15 May 2019 to accept or reject this decision.

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- The customer maintains his position and believes that he is entitled to a refund in the sum of £600.00 to £700.00 from the company (the customer believes that this is how much money he would have saved if the company had installed a water meter in 2016).

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

- The Water Industry Act 1991 makes it expressly clear that water companies can set their own scheme of charges and charge their customers accordingly. The company's scheme of charges makes it clear that the company can charge its customers through RV or metered charges. Therefore, RV and metered charging are both valid forms of raising charges.
- The customer was previously on RV as he had not requested to be placed on metered charges.
- The customer was always entitled to request a water meter installation (and to be charged through a water meter). This is clearly advertised by the company on all the bills sent to the customer over the years. However, as the customer had never requested a meter installation, he could only be charged by RV.
- The company explains that, in 2016, it sent a letter and brochure to the customer explaining that it may soon be installing water meters in the customer's area as part of a metering program. The company explains that this was an advisory letter and was not a guarantee that it would definitively install a water meter at the customer's property. Ultimately, due to the large numbers of objections raised by customers in the area, the program was suspended.
- The company confirms that the customer did not contact it to query about water meter installation until 2018. The company further confirms that following a water meter installation request in 2018, a water meter was installed at the customer's property.
- The company does not accept that it is obliged to provide the customer with a refund for his valid previous RV charges. The fact that metered charging is more cost-effective for the customer's present individual circumstances does not mean that his valid previous RV charges were incorrect.
- Nevertheless, the company does accept that its communications with the customer could have been better (following the customer's water meter installation request in 2018). Therefore, as gesture of goodwill, the company only charged the customer for his fixed charges (not volumetric charges) between 12 March and 10 May 2018 (resulting in a credit of £142.36 being applied to the customer's account). It has also provided the customer with an additional £30.00 by way of a further apology for this issue.
- The company states that, in light of all the above, it does not accept any further liability for the customer's claims for redress.

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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?

1. The crux of this dispute lies with the customer's belief that he should be entitled to have the company refund his previous RV charges back to 2016 (when the company sent him a letter that it may be installing water meters in his area as part of the metering program). The customer states that the company did not install a meter until he asked for one in 2018. The customer states that he has complained to the company about this issue but it has concluded it is not obliged to provide him with a refund for his valid previous RV charges. The customer is not satisfied with this situation and is now claiming for the company to provide a refund in the sum of £600.00 to £700.00 (the customer believes that this is how much money he would have saved if the company had installed a water meter in 2016).
2. I remind the parties that adjudication is an evidence-based process and in order for any remedy to be awarded, the evidence must show that the company has not provided its services to the standard that would reasonably be expected of it.

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3. At this juncture, I find that it is important to remind the parties that it is beyond the scope of this scheme to review/amend the general commercial practices of water companies (the WATRS rules make it expressly clear that the scheme cannot be used for disputes relating to the fairness of contract terms and/or commercial practices). Accordingly, I am unable to examine/address any issues relating to the commercial practices/decisions relating to unmeasured charging and/or water meter installation programs/schemes. I will proceed accordingly.
4. I find that, in accordance with the relevant provisions of the Water Industry Act 1991 (notably sections 142-143), companies are entitled to set their own scheme of charges and charge their customers accordingly. I note that the company's scheme of charges sets out that it is entitled to charge its customers by either RV or metered charges. Consequently, I accept that both RV and metered charges are valid methods for the company to raise its charges.
5. It is not in dispute that the customer was previously charged by RV as he did not have a water meter. Furthermore, it is not disputed that following the installation of a water meter at his property, the customer discovered that his metered charges were cheaper than his previous RV charges.
6. Whilst I appreciate that the customer is displeased that his previous RV charges were more expensive than if he had been on metered charging, I do not find that this renders his previous RV charges incorrect or that the company is under any obligation (contractual or otherwise) to provide a refund for his valid previous RV charges (incurred before the customer had a water meter installed). I draw attention to the fact that the cost-effectiveness of either RV or metered charges depends entirely on a customer's individual circumstances (and their water usage habits). For some, RV will be more cost-effective; for others, metered charges may be cheaper.
7. I acknowledge and understand that the company had sent a letter to the customer in 2016 stating that it may be installing water meters in his area as part of the metering program. However, based on the evidence available to me (such as the copy of the company's standard metering program letter), I am unable to objectively conclude that the company's letter to the customer amounted to a definitive statement of intention guaranteeing that it would install a water meter at his property in 2016. In the interests of completeness, I draw attention to the fact

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that the customer has not produced any copies of letters allegedly received from the company in relation to the metering program. Accordingly, I am not satisfied that the company was obliged (contractually or otherwise) to install a water meter at the customer's property in 2016. In any event, I find that the customer was always entitled to request a water meter installation from the company but did not do so until 2018 (after which the company promptly installed a water meter at his property).

8. Consequently, in light of all the above, I am satisfied the company has correctly maintained the position that it is not obliged to provide a refund for the customer's valid previous RV charges. Accordingly, I am not satisfied that the company's actions in relation to this issue amount to a failure to provide its services to the standard to be reasonably expected by the average person.
9. Nevertheless, I note the company has accepted that its communications with the customer could have been better. Specifically, I note that there were some issues in connection with carrying out the water meter installation at the customer's property (following his actual request for a water meter installation in 2018). Having reviewed the circumstances surrounding these issues, I am satisfied that this was an oversight on the company's part. However, taking note of the company's remedial actions already taken in response to this oversight (in particular, the company's provision of compensation in the sum of £30.00 and its application of a credit to the customer's account in the sum of £142.36), I am satisfied that the company's overall actions in response to this matter were fair and reasonable. Under the circumstances, I do not find that any further remedial action is warranted in connection with this matter.
10. Following careful review of all the submissions provided, I am not satisfied that there are any unresolved failures on the part of the company at this time. Consequently, in the absence of any unresolved failures on the part of the company, I am unable to uphold the customer's claims for redress.
11. This marks the end of the WATRS stage of the customer's complaint. The customer is not obliged to accept this decision and is free to pursue redress through all other avenues as available to them.

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### 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 15 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.



**E. Higashi** LLB (Hons), PGDip (LPC), MCIArb.

**Adjudicator**

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