

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1332

Date of Decision: 3 May 2019

Complaint

The customer submits that due to ongoing billing and account errors by the company and RST Water since 2015, her account is in arrears (by approximately £36,000.00). Due to the billing errors, poor customer service and being prevented from making payments towards her current usage whilst the company investigated her complaint, she requests that the company waive £9,634.20 of the charges (representing 50% of the charges that accumulated between April 2017 and December 2018 when she was unable to make payments) and pay her £2,500.00 in compensation.

Defence

The company accepts there have been errors in dealing with the customer's account since 2015. However, whilst it is responsible for billing and account errors since April 2017, it cannot be responsible for the issues that were generated prior to April 2017, as these were with RST prior to the its creation. It has applied £360.00 in recognition of the service shortfalls and time taken to investigate the complaint and covered the cost of the leak detection visit. Further, following its further review of the customer's concerns raised, it agrees to pay her further compensation of £270.00. It does not accept to waive any of the customer's charges on her account, as these are correct and reflect the usage on the customer's meter. The company did not make any offer of settlement.

Findings

As RST Water is responsible for the service provided prior to April 2017 due to it being the customer's provider during this timeframe before the market opened, I am restricted to only considering the issues that have arisen since April 2017. The company admits to various billing errors, service failures including delay with addressing the billing issues and the customer's complaint. This is evidence of the company failing to provide its services to a reasonably expected standard. Whilst I accept that the charges currently owing are based on actual recorded usage, I find that due to the serious nature of the company's failures, particularly its failure to provide accurate billing between April and November 2017, its failure to maintain a Direct Debit on the customer's account and failure to facilitate payments from the customer towards her current usage up to December 2018, I do not find that the compensation amounts offered are sufficient or fairly reflect

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the stress and inconvenience caused. Therefore I direct that the company shall pay the customer additional compensation of £500.00 and also renew its offer of a 24-month payment plan.

Outcome

The company shall pay the customer an additional compensation amount of £500.00 (this amount can be applied as a credit against the customer's outstanding account balance) and renew its offer to set up a 24-month payment plan.

The customer must reply by 4 June 2019 to accept or reject this decision.

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ADJUDICATOR'S DECISION

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Date of Decision: 3 May 2019

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- Since being transferred to the company at market opening, she has been told that her water account with the company is £41,000.00 in credit, then after a few months was advised this was £8,000.00 in credit and finally her account was confirmed to be £19,000.00 in debt. She disputed the integrity of the figures and how the debt has accumulated.
- At first glance, it appeared that the debt was due to RST Water's (RST) failure to take Direct Debit payments and subsequently the company's inability to charge the customer accurately due to I.T problems with its billing system in the first six months. However, as she was concerned that the charges were high due to increased water consumption she requested, via the Consumer Council for Water (CCW), for the company to review her account, usage and charges in order to substantiate the outstanding balance. The customer also requested a review of all customer service errors which had contributed to the increase of the debt and for the company to make her an offer of compensation which was commensurate for the failures.
- The company's response was that the high bill was accurate and reflected her high water bill and the debt accumulated due to the lack of payments made to RST and then the company. It agreed there had been failings on the part of both RST (for which RST had paid £175.00 in 2015/2016) and it (for which it paid the customer £60.00 in GSS payments). It also arranged for a leak detection which confirmed substantial leaks. It was thought the repair of the leaks would reduce the consumption however, the company claimed that the usage stayed the same and her leak allowance was rejected on this basis. The company advised that historically usage had always been high. It awarded £300.00 due to the 12-month complaint period.

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- The customer submits that the company: failed to accurately bill her for a six month timeframe from April 2017; failed to conduct an accurate review of her account when she first raised the complaint; took four months to provide an answer in regards to the high usage issue and arrange a leak detection report; took an additional four months to supply a decision (about the allowance); and failed to provide clear and consistent advice about the payment arrangements and; prevented her from making payments for the current usage during the dispute without taking account of the disputed amount; no payments were made from April 2017 and December 2018 and based on her current monthly usage of £963.42, this amounts to charges of £19,268.40. The customer asserts that a fair resolution would be for the company to waive 50% of this amount. She therefore requests that the company credit her account with £9,634.20 to close this matter.
- The customer also requests £2,500.00 for stress and inconvenience.
- She is not satisfied with the company's resolution offered as she feels she is being penalised for RST 's and the company's issues and poor customer service. She feels her situation has been worsened by the company preventing her from making payments for current usage.

The company's response is that:

- In a summary of the ongoing issue, the customer originally paid the water account balance by cheque to RST. This was until a Direct Debit was set up between August and September 2014 and the first payment of £1,692.28 was collected on the 25 September 2014.
- Accounts had migrated from RST old billing systems onto a new billing system in 2014, and it was later discovered that there had been failings with the way in which the new system handled the Direct Debit instruction.
- In this case, this meant that no payments were taken between March 2015 and July 2015. On 29 June 2015, the customer contacted RST and a new Direct Debit was set up on the account for £1,741.55, however, when this payment was collected on the 25 July 2015, an amount of £2,923.91 was taken. On 29 July (2015), the customer contacted RST to raise that the incorrect amount had been collected. This was later returned through an indemnity claim initiated by the customer with her bank. Advice during that call was to contact RST back to reinstate the Direct Debit and at that time a £25.00 goodwill gesture was applied to the account for the error.
- In December 2015, following a call from the customer, the bank account details were removed from the account to prevent any large payment being taken, as the account had been placed on a billing block because an issue had been discovered with the billing on the new system. During the call in December 2015, it was noted on the account that an 18-month payment plan was offered and was to be set up once the billing block had been removed. On 17 December 2015,

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the billing block was removed, and the payment plan was set up for £2,252.79 per month, starting on 28 January 2016. A letter was sent to the customer to confirm as previously promised.

- In February 2017, the meter for the property was replaced as it had been reported that the old meter was no longer recording. Once the metering information had been updated on the account, it caused billing errors, which in turn prevented the account from being billed. In March 2017, the account was passed to the IT team to investigate why the account wasn't billing and the Direct Debit was cancelled because of this, at this time.
- There had been several credit note invoices produced during the period in which IT were working to resolve the billing problems, and these were sent to the customer in error.
- During an escalated call, the account was blocked for invoicing, the Direct Debit details were completely removed from the account and it was explained that our external IT team were still investigating. These ongoing issues continued throughout the remaining billing periods with RST and were passed to it in April 2017, when the market opened. Communication between the escalated call advisor and the customer continued, however, when a call was made on the 19 June 2017 to the customer and a voicemail was left, no call back was received. It received a stage 1 complaint on the 22 June 2017, about the credit notes that had been issued, whilst it was attempting to fix the billing issues on the account. The customer believed she was £41,000.00 in credit and she wanted a refund for this amount. Communication at this stage was maintained between the stage 1 case handler and the customer, whilst its external IT partner continued to investigate the account. No refund was issued as the billing was incorrect and any refund amount may not have been a genuine credit on the account. The account was billed correctly on the 6 November 2017, and the customer was notified that the account balance was £18,701.69 in Debit. A stage 2 complaint was received from the CCW on 12 December 2017, where several points were raised regarding the issues which had previously taken place and in relation to the consumption of water at the property. A full investigation was carried out and the consumption was confirmed to be consistent from 2015 at 17m³ to 22m³ per day. On 22 January 2018, the customer called to ask how much a Direct Debit would be if she was to set one of these up again. It advised that this would be £1867.65 a month. The customer advised that she was going to call back to discuss this further, however, no call was received, and the next communication was directly from CCW.
- An Investigation (request) was received from CCW on 24 January 2018. As part of the investigation and as the customer has disputed the consumption previously, a leak investigation was carried out to ensure that the consumption was genuine and was not due to a leak. A visit took place to the premises on 3 May 2018, which confirmed there were leaks on the site. A leak

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allowance form was completed and raised to the wholesaler, however, no leak allowance was granted as even when those leaks had been repaired, the average daily consumption remained consistent after the repairs as it did prior to the repairs, also where the leaks occurred, there is no waste connection.

- Therefore, it accepts that the customer has had multiple issues relating to both the Direct Debit and the billing of the account that have contributed to the balance owed. The customer has had a total of £535.00 in goodwill gestures which is broken down as £175.00 from RST and £360.00 from it for the following: £20.00 delays in billing; £20.00 for incorrect information; £20.00 for stress and inconvenience caused and; £300.00 for length of time taken to resolve. As a gesture of goodwill it also covered the cost of the leak detection visit.
- The customer has requested a goodwill gesture credit of £9,634.20 credit and that an amount of £2500.00 compensation is awarded for stress and inconvenience. The company asserts that the charges that have been invoiced on the account are correct and genuine charges for the water which has been used. Because of this, no further credit will be applied towards the charges already invoiced for. It accepts that there have been service failings on its part as a Retailer but feels that the amounts already awarded accurately reflect these failings.
- Nevertheless, having carried out a further review, it is willing to provide £20.00 for failing to advise the customer about the other payment methods she could use to pay and furthermore, it apologises for the length of time the matter has been ongoing and it has now applied a further amount of £250.00 for the time taken to resolve the dispute and the stress and inconvenience this has caused the customer.
- It cannot be responsible for the issues that were generated prior to April 2017, as these were with RST prior to its creation ([]).

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

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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 a business customer and the premises to which the complaint relates is known as [](the Premises).
2. The dispute relates to errors by RST and the company which the customer feels has led to her account being approximately £36,000.00 in debt (as confirmed in the company's letter dated 6 February 2019 stating the debt to be £36,381.35, at this time).
3. At this juncture, I remind that parties that the company is the Retailer and that RST is the wholesaler for the customer's region. I note the division between the wholesaler and retailer occurred as a result of government changes which opened up the water market which came into effect on 1 April 2017. I find that the company and RST are therefore two distinct and separate entities and further that a WATRS Application can only be brought against one party. In this instance, the customer's case has been defended by the company; the Retailer and therefore for the purposes of this decision, my remit is to determine the issues between the customer and the company. I am unable to consider any claims or complaints in relation to RST or other third parties.
4. Therefore, whilst the company has detailed several service failures on the part of RST prior to April 2017 when it was the customer's provider, including a failure to collect payments by Direct Debit as agreed, as such falls outside the remit of this adjudication due to the above stated reasons, I am unable to consider RST's actions in this regard or the amount of compensation it provided to the customer prior to 2017 in acknowledgement of the errors. My review will be limited to reviewing the service provided by the company since April 2017.
5. Based on the evidence submitted to me, I can see that the customer raised complaints with RST and the company in March 2017 and again in June 2017 regarding the incorrect

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billing as result of issues with the company's IT system; I acknowledge that she had received a bill indicating her account was approximately £41,000.00 in credit and had been in communication with the company and RST in regards the accuracy of this bill. I acknowledge that the customer received a call in September 2017 from the company advising it had corrected the billing issues and that she would receive a corrected bill yet the bill she received in September 2017 indicated the account was £8,043.42 in credit. The company subsequently confirmed that the correct amount was £18,701.69 in debit as per the bill generated on 7 November 2017. In the Defence, the company accepts that the customer's billing up to then was erroneous and explained this was due to IT issues. The company also confirmed it incorrectly sent the customer credit notes (the customer has provided a number of these sent to her, all dated 23 January 2019) which I consider contain amounts which do not appear to correlate with the customer's actual account balance, at that time. Therefore, I am satisfied that the inaccurate billing and seven-month timeframe taken for the company to confirm the correct balance on the customer's account and provide an accurate bill (on 7 November 2017) demonstrates that the company failed to provide its services to a reasonably expected standard.

6. Following the customer raising a complaint with the company via CCW, the company carried out a review of the charges and explained the errors by both RST and it (as set out in its submissions above). It also agreed to inspect the customer's private pipework and arranged for a leak detection to be carried due to higher than expected water consumption to ensure the usage being recorded was genuine. I find this happened on 3 May 2018. I acknowledge that whilst leaks were detected, the customer's water consumption recorded following the repair of the leaks up to January 2019, did not show any reduction in usage. Due to this, the company (as well as RST) refused to grant the customer a leak allowance.
7. Based on the evidence, including meter readings from the customer's water meter dating back to 2015, on balance I accept that the figures supplied by the company in respect of the customer's daily usage being between 17 m³ and 22 m³, is accurate and that usage within this range has been consistent since 2015. However, I accept there were prolonged delays by the company both in arranging the leak detection/providing the report from when it agreed to take this action at the start of 2018 and then in assessing the customer's application for a leak allowance; the forms were submitted on 24 August 2018 and yet the company only advised of the outcome in February 2019. Whilst I accept it likely that the

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company needed to wait a length of time until it had meter reads since the repairs to compare the usage, I find that the approximate six-month delay was unreasonable. This illustrates evidence of the company failing to provide its services to a reasonably expected standard.

8. In its final response to the customer's complaint dated 6 February 2018, the company agreed that the 12-month complaint timeframe was unacceptable. It also admitted to three other customer service failures including that it was unable to bill the customer's account due to the new meter not being linked to the sub-meter leading to the customer's Direct Debit being cancelled. I am also mindful of the customer's submission that despite her asking the company to make payments for her current usage, the company would not accommodate her request, meaning no payments were made on her water account from April 2017 and December 2018. In the absence of any contrary evidence from the company and in light of the evidence, including the customer's billing which I find supports the claim, on balance I accept the customer's assertion in this regard. Therefore, I am satisfied this is further evidence of the company failing to provide its services to a reasonably expected standard.
9. As detailed above, the company supplied £60.00 in GSS payments and £300.00 as a goodwill gesture for the delays in dealing with the customer's complaint as confirmed in its letter of 6 February 2019. I acknowledge that it also agreed for the customer to pay off the outstanding balance under a 24 month payment plan. The customer was unhappy with this resolution and in her WATRS Application requests that the company waive £9,634.20 of the charges (representing 50% of the charges that accumulated between April 2017 and December 2018 when she was unable to make payments) and pay her £2,500.00 in compensation.
10. I acknowledge that in its Defence the company has stated that upon its further investigation of the issues raised in the customer's WATRS Application, it is willing to provide a further £20.00 payment to the customer for failing to advise her about the other payment methods she could use to pay. Furthermore, it has stated that it has applied a credit of £250.00 for the time taken to resolve the dispute and the stress and inconvenience this has caused the customer.

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11. Bearing in mind that I find the company's errors/delay, particularly its failure to provide accurate billing between April and November 2017, its failure to maintain a Direct Debit on the customer's account due to system constraints and its failure to facilitate payments from the customer towards her current usage up to December 2018 whilst it was investigating the complaint, to be serious in nature, I do not find that the compensation amounts offered to date are sufficient or fairly reflect the stress and inconvenience caused to the customer. Furthermore, I accept that they contributed to the escalation of the debt on the customer's account. However, I must balance the above findings with the fact that the company has shown that the amount owing is based on actual water consumption at the Premises and therefore, I am unable to direct any waiver of the charges. However, in light of the multiple service shortfalls by the company, I find that it is fair to direct that it shall pay the customer a further compensation sum of £500.00 for the stress and inconvenience caused. I am satisfied that this amount is fair and reasonable and proportionate to the proven issues and takes into account the credits already applied. I also consider it appropriate to direct that the company renew its offer to the customer to set up a 24-month payment plan.

Outcome

The company shall pay the customer an additional compensation amount of £500.00 (this amount can be applied as a credit against the customer's outstanding account balance) and renew its offer to set up a 24-month payment plan.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 4 June 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. Jennings-Mitchell, Ba (Hons), DipLaw, PgDip (Legal Practice), MCI Arb

Adjudicator

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