

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1354

Date of Decision: 28 May 2019

Complaint

The customer's account was transferred to the company on 1 April 2017 but, despite several requests, she did not receive a bill until February 2018. The bill received in February 2018 was inaccurate because the readings from two sub-meters had not been deducted from the main meter reading. The company explained that its billing system did not allow it to input data from the sub-meters but it promised to manually adjust the customer's bill. The company sent the customer a manually adjusted bill but this was also inaccurate as it was based on estimated historical readings rather than actual meter readings. Following this, the customer received a bill in February 2019 based on meter readings taken in December 2018 but, again, this was inaccurate. The customer wants the company to ensure it bills accurately in the future and provides her with accurate meter readings for the main meter and the two sub-meters. The customer also requests an apology and a gesture of goodwill for the inconvenience caused by the company's delay in producing an accurate bill, stating that the £20.00 GSS payment received so far is not proportionate to the inconvenience suffered.

Defence

The customer's property is on a meter network; the meter for the customer's property is the master meter and there are two sub-meters. The usage through the two sub-meters must be deducted from the customer's invoices to produce accurate bills for the customer. However, the company states that following the deregulation of the water industry it experienced problems issuing accurate bills for customers on a meter network. The company accepts that it produced several inaccurate bills but states that the latest invoice, issued on 8 May 2019, is accurate. The company denies liability to pay the customer a gesture of goodwill on the basis that it has already paid the customer a GSS payment of £20.00 for its failing to produce an accurate bill within a year. Furthermore, the company offered the customer a payment plan in order to ensure that a large debt did not mount up during the time it was unable to provide an accurate bill. With regard to the customer's request that accurate meter readings are provided and these are used to bill accurately in the future, the company states that it has met its statutory obligation to read the commercial meters once a year and will continue to do so. However, the company cannot guarantee bills are always based on actual reads as one of the sub-meters is for a domestic property and is billed by RST Water, not the company. In view of this, whilst the company has requested RST Water to align the readings, the company cannot

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control when the domestic sub-meter is read. However, as the meters are accessible, the company invites the customer to supply both the company and RST Water with readings in order to facilitate accurate billing. Alternatively, the company can read the meters but this would be chargeable to the customer.

The company has not made an offer of settlement.

Findings

The evidence provided shows that the company's billing system was unable to produce an accurate bill with deductions for the sub-meter usage until 8 May 2019, approximately two years and one month after the customer's account transferred to the company. I accept that following the deregulation of the water industry the company's billing system experienced problems in accurately billing customers on meter networks, but the company was also unable to provide the customer with an accurate manual bill despite promising to do so. The evidence does not fully explain what measures the company took to remedy the problems or why the issues could not be remedied sooner. Therefore, I find that the company failed to provide its service to the standard the customer was reasonably entitled to expect. The evidence demonstrates that the company has already made a GSS payment of £20.00 for failing to provide the customer with a bill within a year and I accept that this satisfies the company's liability in this respect. The customer states that she does not seek compensation, but requests that the company makes a further goodwill gesture in light of the inconvenience caused by the company's failure to bill accurately for so long. It is beyond the scope of this scheme for me to direct the company to make a goodwill payment and, therefore, I make no directions to the company in this regard. However, the customer seeks a formal apology from the company for the inconvenience caused by its failure to provide an accurate bill and, having reviewed the evidence, I find an apology from the company would be appropriate in the circumstances of this case. The customer also requests that the company provides her with accurate meter readings and bills that reflect correct deductions for the sub-meter usage in the future. In light of the fact that the company produced a bill with sub-meter deductions on 8 May 2019, it would seem that the company has now resolved the problem that prevented it from producing accurate bills. Therefore, the evidence suggests that the company will be able to produce accurate bills for the customer's account going forward. However, the company has not addressed the customer's request to be provided with actual readings for all three meters in the future and I note that the customer's bills only show the meter reading for the main meter. On balance, I find it likely that the customer's billing system cannot accommodate this request. However, I do not find this to be a failing on the company's behalf as there is no regulatory requirement to provide this information. In order for the customer to be confident that she is billed correctly,

I direct the company to provide the customer with the actual or estimated sub-meter readings used to produce her bill if requested to do so.

Outcome

The company shall provide the customer with a formal written apology for its failure to provide its service to the standard the customer was reasonably entitled to expect, specifically for the delay in providing the customer with an accurate bill and the inconvenience this failing caused the customer. The company shall also provide the customer with the actual and estimated sub-meter readings used to produce her bill if directly requested to do so.

The customer must reply by 25 June 2019 to accept or reject this decision.

ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1354

Date of Decision: 28 May 2019

Party Details

Customer: [].

Company: [] (the company), [].

Case Outline

The customer's complaint is that:

- The water account was transferred to the company in April 2017.
- She contacted the company in November 2017 as she had not received a bill. She eventually received a bill in February 2018, despite several requests to receive a bill sooner, however, the bill was inaccurate. The bill was re-issued in March 2018, but this was also incorrect.
- She is billed for a commercial meter which has two sub-meters on the same supply. The bills were inaccurate because the readings from the two sub-meters had not been deducted from the main meter reading.
- The company explained that its billing system could not automatically adjust the data because the two sub-meters were not linked to the non-household market. However, the company promised to manually adjust her bill.
- The manually adjusted bill was also inaccurate as it was based on estimated historical readings up until June 2018.
- She supplied the company with meter readings for all three meters on 14 October 2018 but the company asked for further readings on 24 December 2018. The company later stated that this was not necessary as readings had been taken on 21 December 2018.
- The company sent a further bill dated 5 February 2019 based on the readings taken in December 2018. Again, the bill was inaccurate as it was too low in comparison to previous years.

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- She has been reluctant to set up a payment plan without an accurate bill as she did not trust that the company would do it correctly.
- Going forward, she wants the company to provide meter readings for all three meters and deduct the sub-meter readings correctly to produce accurate bills.
- She also wants the company to apologise and make a goodwill gesture for the inconvenience caused by the company's delay in producing an accurate bill, stating that the £20.00 received so far is not proportionate to the inconvenience suffered; she has contacted the company over twenty times in an attempt to resolve this issue and it has been mentally exhausting.

The company's response is that:

- The customer's account was transferred to the company on 1 April 2017 from RST Water in the name of [] with [] listed as an authorised contact.
- The customer's account is set up as a meter network; the meter for the customer's property is the master meter and there are two sub-meters, one for another commercial premises for which it is also the retailer, and the other is for a third-party domestic property which is invoiced by RST Water. The usage through the two sub-meters must be deducted from the main meter reading to produce accurate bills for the customer.
- When the market deregulated, it experienced issues invoicing accounts which were part of a meter network and this caused delays in issuing invoices. Consequently, the customer's first invoice was issued on 16 February 2018.
- On 8 March 2018 the customer telephoned to query the bill. The query was passed to the Complex Queries Team to investigate further. It was established that the charges on the invoice were incorrect as it did not include deductions from the sub-meters, charging for 4,367m³ of water when it should have been 2,452m³. The bill was reversed, and a new bill created on 10 March 2018. Unfortunately, the new bill was also inaccurate as, again, it did not include the sub-meter usage deductions and was subsequently reversed.
- The next quarterly invoice was produced on 29 March 2018. However, this only showed a sub-meter deduction of 5m³ when it should have been 319m³ and, therefore, the bill was also reversed. The customer was contacted by telephone and a voicemail was left to confirm the situation.
- On 6 August 2018 the customer logged a complaint. The complaint handler contacted the customer on 17 August 2018 to confirm that an update would be requested from the Systems Team and, if no resolution date was provided, a manual bill would be requested on behalf of the customer. On 21 August 2018 the issue remained unresolved so the complaint handler requested a manual bill for the customer.

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- It sent a Verification of Supply Form to RST Water on 12 September 2018 to confirm the supply arrangements as the customer believed the meter network was set up incorrectly. On 20 September 2018, it contacted the customer to reassure her that the meter network was set up correctly following verification from RST Water.
- An invoice was produced on 9 October 2018 showing the balance up to 8 June 2018 as £3,061.18 and the customer agreed to set up a direct debit to start paying towards the balance. It was agreed that the direct debit amount would be reviewed when the next invoice was produced in January 2019. However, on 3 December 2018 it realised that the domestic sub-meter had been exchanged in October 2018 and, therefore, the bill was still inaccurate. Its billing team attempted to raise a bill which reflected the domestic sub-meter exchange, however, this produced an erroneous credit of £12,579.07.
- On 21 December 2018 the complaint handler contacted the customer to confirm that it could now produce an up-to-date invoice. However, the readings the customer had provided in October did not seem correct so a check read was requested. Meter readings for both commercial meters were provided, and a form was raised to RST Water to request a read for the domestic sub-meter.
- RST Water responded on 7 January 2019 and advised that a read had not been taken on the sub-meter since it was exchanged on 1 October 2018. In order to calculate the customer's bill correctly, on 7 January 2019 it requested RST Water to confirm the final meter reading for the old domestic meter.
- Following confirmation of the reading, a new invoice was produced on 5 February 2019, however, this bill was reversed as the domestic sub-meter details had not updated correctly on the system.
- An additional request for the domestic meter reading was raised on 2 April 2019 as readings had been obtained for the commercial meters on 21 March 2019 but the company had not received an up-to-date read for the domestic meter. In the meantime, the domestic meter exchange was updated on its system and a new bill was issued on 5 April 2019. However, the deductions were incorrect, so this bill was also cancelled and a credit note was raised. An amended bill was issued on 9 April 2019 based on estimated reads.
- On 17 April 2019, RST Water confirmed a read had been obtained for the domestic meter on 11 April 2019. A credit note was created for the bill issued on 9 April 2019 and a new invoice was issued on 25 April 2019, however, this was missing the period June 2018 to the time when the domestic meter was exchanged in October 2018. A credit note was arranged for this on 7 May 2019.
- In response to the customer request for an accurate bill, a new invoice was produced on 8 May 2019 to cover the full period from 9 October 2018 to 21 March 2019. As all meter reads have to be on the same day for the company to bill, the company has manually calculated an estimate of

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693 for the new domestic sub-meter, based on a daily average of 4.09m³. This invoice shows an outstanding balance of £3,816.71 and is correct.

- With regard to the customer's request to receive accurate meter readings going forward, as part of the non-household market codes it must endeavour to obtain meter readings twice a year for non-household meters. To date it has met this obligation and has provided the actual readings which its contracted meter readers have taken for the master meter. It has also been agreed that the two commercial meter reads will be on the same schedule, however, it does not have full access to the details of this so, whilst the meters are on the same read schedule, it cannot guarantee that the meters are read on the same day. To facilitate the customer's request further, it can arrange for additional reads to be obtained but this would be chargeable.
- RST Water is responsible for reading the domestic sub-meter and is only obligated to read it once a year. The company is unable to advise of RST Water's meter reading schedule in regard to this meter, however, it is aware that the meter is accessible and therefore the customer should consider supplying both the company and RST Water with regular reads in order to support more accurate billing.

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. Since the water market in England opened up to retailers in April 2017, all non-household customers have been moved to a wholesale/retail split service. As a result, a non-household

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customer now only has a relationship with the retailer. Having considered the evidence presented by the parties, I find that the customer's account was transferred to the company from RST Water on 1 April 2017. This means that as an adjudicator operating under the Water Redress Scheme, I can only make findings related to those things for which the retailer, as the party to the case, has responsibility, and not those things for which the wholesaler, RST Water, has responsibility.

2. Having reviewed the evidence presented by the parties, I find that the customer's account is set up as a meter network; the meter for the customer's property is the master meter and there are two sub-meters, one for a separate commercial premises for which the company is also the retailer, and the other for a third-party domestic property which is invoiced by RST Water. In order to provide the customer with accurate bills, the usage through the two sub-meters must be deducted from the main meter readings.
3. The company states that when the water industry deregulated it experienced issues invoicing meter networks. The company has provided copies of internal communications and correspondence between the parties in evidence; this demonstrates that the company's billing system was unable to provide the customer with accurate bills as it could not deduct the sub-meter usage from the main meter reading.
4. Having reviewed the evidence provided, I find that, despite many requests for an accurate bill from the customer and the promise of a manual bill by the company in June 2018, the customer was issued with eight incorrect bills on the following dates; 8 March 2018, 10 March 2018, 9 March 2018, 9 October 2018, 5 February 2019, 5 April 2019, 9 April 2019 and 25 April 2019. Whilst I accept that the company experienced some billing issues as a consequence of deregulation, and its attempts to accurately bill the customer were further frustrated by the fact that the sub-meter had been exchanged, the evidence does not fully explain the delays in resolving the issue, what measures the company took in order to resolve the problem, or why an accurate manual bill was not provided to the customer.
5. The company states that the latest bill, dated 8 May 2019, showing an outstanding balance of £3,816.71 is correct for the period up to 21 March 2019 and the customer has not commented to the contrary. Having reviewed the evidence provided by the company, I note that the bill was generated using actual meter reads from the main meter and the commercial sub-meter and an estimated read for the domestic sub-meter, calculated by using an average daily usage from an actual read taken in April 2019.

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6. Due to the practical issues involved in reading meters, water companies often use estimated readings to calculate customers' bills until actual meter readings are available. Customer bills are then recalculated and amended accordingly. I accept that this system of billing results in customers receiving bills that are not entirely accurate. In this case the bill dated 8 May 2019 was not entirely accurate as it was not generated by using aligned meter readings but, due to the practical issues involved in reading all three meters on the same day, I find that on the balance of probabilities the bill is as accurate as possible in the circumstances and I find no failing on the company's behalf in this respect.
7. However, the evidence demonstrates that the company took two years and one month to produce a correct bill for the customer and, in the absence of a robust explanation to defend such a long delay, I find that the company failed to provide its services to the standard the average customer could reasonably expect in this regard.
8. The customer states that she made over twenty telephone calls to the company and that dealing with this issue has been mentally exhausting. Having reviewed the evidence, especially the memo notes from the customer's account, I have no reason to doubt that this is the case. However, the customer has not claimed compensation for stress and inconvenience but instead seeks a goodwill payment from the company.
9. The company states that it has already fulfilled its liability in this regard as it made a GSS payment of £20.00 to the customer for its failure to provide the customer with a bill for over a year. I accept that the company has applied a Guaranteed Standards Scheme (GSS) payment of £20.00 to the customers' account to satisfy its obligations under the GSS guidelines set out by the industry regulator, OFWAT.
10. The company also states that it offered the customer a payment plan in-line with previous payments on the account in order to prevent the customer from building up a large debt, but the customer refused the offer. The customer states that she was reluctant to do this until the bill was correct and feared that the company would charge her incorrectly. Having reviewed the evidence, I do not find that the company's offer to set up a payment plan excuses its delays in billing the customer correctly.

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11. However, I have no jurisdiction to direct the company to make goodwill gestures under the remedies available under this scheme and, as the customer has not claimed compensation for stress and inconvenience, I find that I am unable to direct the company to make a further payment to the customer for its failure to provide the customer with an accurate bill before 8 May 2019 or for the inconvenience caused to the customer. Accordingly, the customer's claim for a goodwill payment does not succeed.
12. The customer has requested a formal apology from the company for the delay in billing and, in view of the above, I find that an apology would be appropriate in the circumstances of this case. Therefore, I direct the company to issue a formal written apology to the customer for failing to provide its service to the standard the customer was reasonably entitled to expect and, specifically, for the delay in providing the customer with an accurate bill and for causing the customer inconvenience.
13. The customer also requests that the company provides her with accurate meter readings and bills that reflect correct deductions for the sub-meter usage in the future. In light of the fact that the company produced a bill with sub-meter deductions on 8 May 2019, it would seem that the company has now resolved the problem that previously prevented it from producing accurate bills. Therefore, the evidence suggests that the company will be able to produce accurate bills for the customer's account going forward.
14. The company's defence states that it cannot guarantee to provide the customer with wholly accurate bills in the future. The company explains that the domestic sub-meter is read by RST Water on a different schedule to the commercial meters. As stated above, in order to produce accurate bills the main meter, the commercial sub-meter and the domestic sub-meter would have to be read on the same day. The company has no control over when RST Water reads the domestic sub-meter and, as previously explained, the company therefore may have to use estimates in order to bill the customer in the future. I accept that due to the practical difficulties of ensuring all three meters are read on the same day, the company is unable to guarantee that the bills provided to the customer in the future do not use estimated reads and I find no failing on the company's behalf in this respect.
15. The company states that it reads the commercial meters twice a year, in accordance with its statutory obligations, and will continue to do so, and that RST Water reads the domestic meter once a year, also in accordance with its statutory obligations. There is no evidence to suggest

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that the company or RST Water has failed to read the meters in accordance with its legal obligations. However, to facilitate more accurate billing in the future and to minimise the use of estimates, the company has offered to read the meters more regularly, although this service would be chargeable to the customer. Alternatively, as the meters are accessible, the company invites the customer to provide it with readings.

16. However, the company has not addressed the customer's request to be provided with actual readings for all three meters in the future and I note that the customer's bills only show the meter reading for the main meter. On balance, and in light of the issues highlighted in this case, I find it likely that the customer's billing system cannot accommodate this request. I do not find this to be a failing on the company's behalf as there is no statutory or policy requirement to provide this information and, in any event, I am unable to direct the company to change its billing format. I understand that this is not the outcome the customer hoped for but, in order for the customer to be confident that she is billed correctly in the future, I direct the company to provide the customer with the actual or estimated sub-meter reads used to produce her bills if requested to do so.

Outcome


The company shall provide the customer with a formal written apology for its failure to provide its service to the standard the customer was reasonably entitled to expect, specifically for the delay in providing the customer with an accurate bill and the inconvenience this failing caused to the customer. The company shall also provide the customer with the actual and estimated sub-meter readings used to produce her bill if directly requested to do so.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 25 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.

KS Wilks

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Katharine Wilks

Adjudicator

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