

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1358

Date of Decision: 29 May 2019

#### Complaint

The customer is unhappy with the company's procedures around the issuing of refunds. They also mixed up her telephone number with the details of other customers ("the Data Protection Incident") and have referred to 'gestures of goodwill' when, in fact, the company is statutorily obliged to make the payments in question. She would like the company to be required (1) to change its procedures (2) to provide an apology and (3) to pay compensation of £270.00 for distress.

#### Defence

The company argues that it has fully explained its refunds process to the customer in this case. Refunds are not issued automatically and need to be requested. The company has made two goodwill payments to the customer, totalling £50.00. It does not consider that any further payments of compensation should be due.

No offer of settlement has been made.

#### Findings

The Data Protection Incident amounted to a failure by the company to provide its services to the standard to be reasonably expected. However, in respect of that failing, the company's existing response (i.e. a payment to the customer of £30.00 and an apology) has been adequate enough. No award of additional compensation is warranted.

#### Outcome

The company does not need to take any further action.

The customer must reply by 26 June 2019 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1358

Date of Decision: 29 May 2019

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

### **The customer's complaint is that:**

- In March 2018, whilst providing her meter readings to the company, she asked for a refund.
- Nothing happened by way of response.
- The standard letters ("Standard Letters") that the company sends - in relation to refunds - is not fit for purpose. When a refund request is made, the customer feels that the company should be using a letter that specifically mentions:
  - that a refund will be made; and
  - the amount of that refund.
- In July 2018, the company arranged to meet with the customer but ended up not keeping the appointment (giving the excuse that it had produced a letter in draft form only). The company did not compensate the customer for this.
- The customer requested that a digital record of her calls with the company be provided to her on a USB stick. The company refused and said that Ofwat did not allow USBs, which is not the case.
- The company also:
  - mixed up her telephone number with the details of other customers (the customer describes the company's data protection procedures as "shoddy" in this respect);
  - sent emails from an address that the customer was unable to respond to;
  - refers to 'gestures of goodwill' when, in fact, the company is statutorily obliged to make the payments in question;

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- made numerous automated calls claiming that these were in response to calls received from the customer (when they were not).
- At one stage, when the customer was providing further readings, the company went with its estimates despite the customer giving actual readings. The customer considers that this “... is indicative of [the company’s] lack of customer care because they’re a monopoly ...”
- Overall, the customer regards the company as an organisation that is “... doing the bare statutory minimum with very little regard for their customers because their customers have no choice ...”
- In light of all of the above, the customer would like the company:
  - to provide an apology;
  - to “stop saying [that] their statutory obligations are goodwill gestures”;
  - for customers who are requesting a refund, to “change their [Standard Letters] ... so you know straight away you’re getting it, instead of having to have all this excess contact”;
  - to provide compensation in the amount of £270.00 for distress suffered.

**The company’s response is that:**

- The customer initially made contact on 22 March 2018 with her meter readings. She then contacted the company again, on 3 April 2018, as she had not heard back.
- The customer’s credit of £126.15 was returned to her bank account on 5 April 2018, eight working days after her email was received. Whilst the customer was unhappy that she had had to contact the company again on the matter, the refund was still received within the company’s ten working day timescale.
- Although the customer does not have a payment plan in place, she makes regular weekly payments of £7.00. Based on her average daily usage of 0.06 cubic metres, the company estimates her yearly charges to be approximately £150.00, which would equate to weekly payments of approximately £3.00.
- In order to minimise the number of occasions on which the customer needs to request a refund, the company suggests that she considers reducing her weekly payments. In addition to this, it is noted that the customer has provided meter readings outside of the company’s normal six-monthly cycle for billing metered accounts. Whilst the company says that it is always happy to produce a bill at a customer’s request, this has again increased the number of times that the customer has needed to request a refund.
- The customer has tended to call or email the company to provide meter readings and at the same time, to request a refund.

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- The company explains that the action it takes, in response, is to:
  - cancel its estimates and send a revised bill that shows a credit; or
  - if it is out of the normal six month schedule, it will just raise a new bill using the customer's reads.
- The company adds that, to date, these bills have always shown a credit. However, as the customer requests a refund at the same time as providing the reads, the refunds are already being processed by the time that the bill is sent.
- The company states that its bills are not notices of a refund being sent. Instead, they show the cost of the water services and any credit/debit on the account.
- The Standard Letters referred to by the customer are, in fact, the company's bills. When a customer's account is in credit, the company does not automatically produce a refund. Instead, the refund must be specifically requested. This is particularly the case with the company's metered accounts (because those accounts are billed retrospectively after the services have been used). Therefore, any credit, unless requested as a refund, will remain on the water services account to be offset against the next bill.
- When the company issues a refund, it does not send any Standard Letters. The refund will either be confirmed in a call or (if the company happens to be corresponding in writing) in an email or letter. It is not, however, standard practice for the company to send a letter with a refund.
- In this case, the customer received additional bills rather than Standard Letters. These bills show credits on her account because - when the customer provides her own meter readings - the company then cancels its estimates and issues revised bills.
- The customer requested a copy of the 3 April 2018 call recording. As she was experiencing difficulties in listening to the recording, the company offered for two of its Customer Representatives to meet with her (so that they could play her the call and answer any questions that she had). Although the customer advised where she would be at a certain date and time, the company never did confirm at any stage that it would or could attend. Whilst it is correct that the company drafted an email that was never sent (advising that it would not be able to meet the customer at the time that she had requested), at no stage did it agree that it would meet her. The company argues, therefore, that there never was a confirmed 'appointment' as such.
- The customer was contacted in error regarding metering. This was due to a mistake in recording another customer's telephone number. The company has apologised for this and has provided a goodwill payment of £30.00. This happened because the telephone number was entered with one digit recorded incorrectly, which unfortunately meant that it then corresponded

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to the customer's landline number.

- In reply to the customer requesting that it stop describing payments as 'goodwill' when they are statutory obligations, the company refers to the Customer Guarantee Scheme ("CGS"). The CGS provides payments for customers when the company has failed to meet its guaranteed standards. The company points out that goodwill payments are separate to this scheme.
- In summary, the company considers that it has fully explained its refunds process to the customer in this case. Refunds are not issued automatically and need to be requested. The company has made two goodwill payments to the customer, totalling £50.00:
  - one payment of £20.00 for the delay in issuing the customer's refund between 22 March and 3 April 2018; and
  - a further payment of £30.00 in relation to the customer's telephone number being added to another customer's account in error.
- The company does not consider that any further compensation (i.e. beyond the goodwill payments already made) should be due.

### 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.

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## How was this decision reached?

1. I have reviewed in particular:
  - a. the various email correspondence, materials and other evidence submitted alongside the customer's WATRS application form; and
  - b. the detailed 'chain of events', which is set out on pages 1-8 of the company's defence; and
  - c. the 87 evidence items annexed to the company's defence.
2. As I read it, the main focus of the customer's claim is on the approach that the company takes to providing refunds. She argues that this process could and should be much more straightforward. She queries why the company cannot simply write to confirm that a refund is on its way (and specifying the amount) "*... so you know straight away you're getting it, instead of having to have all this excess contact ...*"
3. I note that, in its defence, the company goes into some detail about its refund processes. It explains why refunds are not issued automatically. It also points out that the information on any account being in credit is contained on the face of the bills that its customers receive (rather than in any Standard Letters being sent out).
4. Whilst I do understand the concerns that the customer is raising, I do not consider that the company has been at fault on this aspect. Its process, as regards refunds, seems reasonable to me and in line with normal industry procedures. Although I note that the customer would like the relevant information to be presented differently, bearing in mind WATRS Scheme Rule 3.5, I do not consider that it would be appropriate for me to adjudicate on this issue. This part of the dispute seems to relate to the company's 'commercial practices'.
5. I note that there was a delay in issuing the customer's refund between 22 March and 3 April 2018 (and that the customer had to chase). The company has provided a £20.00 goodwill payment in this respect. I do not consider that this delay amounted to a failure in service by the company, as such. This is because, ultimately, the refund was still received within the company's ten working day timescale.
6. The customer also argues that the company should "*stop saying [that] their statutory obligations are goodwill gestures*". I follow the criticism made here. The customer feels that the company is

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being disingenuous. However, in my assessment, when the company highlights that goodwill payments are something separate to CGS payments, it gives a clear and correct explanation. I cannot see, therefore, that there is any failing by the company on this aspect.

7. I have looked at the question of the 'missed appointment' on 13 July 2018. Having examined the available evidence, however, I am satisfied that the company (as it submits) never did confirm that its representatives would be able to attend at the time and date proposed by the customer. I cannot conclude that there was any failing by the company in this specific respect, therefore.
8. I turn finally to the Data Protection Incident. This occurred, I note, because another customer's telephone number was entered incorrectly - with the result that the relevant contact details were 'mixed up'. Whilst I would not go as far as to describe this as a "shoddy" practice, I do find that the incident amounted to a failure by the company to provide its services to the standard to be reasonably expected.
9. In response to the Data Protection Incident, I note that the company has already:
  - a. apologised to the customer; and
  - b. made a goodwill payment to the customer of £30.00.
10. I have given some consideration to whether any additional compensation (i.e. over and above the £30.00 and the apology) should be awarded for the Data Protection Incident. I have concluded, however, that the company's existing response is adequate enough. I am not persuaded that an award of additional compensation would be warranted. It seems to me that the error was a comparatively minor one, with limited adverse consequences. The customer was inconvenienced but her personal data was not specifically exposed (and there does not appear to have been any breach on that level).
11. Accordingly, I do not view this as a case where the company needs to take any further action.

#### **Outcome**

The company does not need to take any further action.

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## What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 26 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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**Nik Carle**, LLB (Hons), Solicitor, DipArb, FCIArb

**Adjudicator**

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