

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1426

Date of Decision: 21 June 2019

Complaint

The customer received a bill that showed higher consumption than normal. The customer requested assistance from the company to establish the reason.

Delays in arranging visits to the premises by the company resulted in a leak not being discovered until further significant loss had occurred.

The customer seeks a reduction in the bill of £14,400.00.

Defence

The company notified the customer of the high consumption by letter dated 14 May 2018.

The company acknowledged certain failures in the standards of service and made a goodwill payment of £100.00 in respect of this.

The company arranged for a credit of £1,591.35 to be applied to the customer's account as a goodwill gesture in respect of water lost through leakage.

Findings

The company failed to provide its services to the standards expected. The company has compensated the customer in respect of its failure to meet service standards.

However, failures in standards of service caused additional loss to the customer due to leakage not being detected in a timely manner.

Outcome

The company shall credit the customer's account in the sum of £2,357.98 in respect of additional losses resulting from the company's failure to meet the expected standards of service. This is in addition to the sum of £1,591.35 already applied to the customer's account.

The company shall use reasonable endeavours to provide relevant information and assistance to allow the customer to ensure the water lost through leakage is not considered in calculating the sewerage charges.

The customer must reply by 19 July 2019 to accept or reject this decision.

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- The company arranged to have the wholesaler attend site but acknowledges it did not advise the wholesaler that the customer wished to be in attendance. The company does not agree that the customer was prevented from attending the visit that took place on 10 August 2018.
- As a goodwill gesture, the company applied an allowance for leakage, granted by the wholesaler, of 1,530 m³ and applied a credit of £1,591.35 to the customer's account.
- The company acknowledged there had been some failures in its standards of service and considers the amount of £100.00 paid as a goodwill gesture is fair relative to those failures.

How is a WATRS decision reached?

In arriving at my decision, I have considered the following key issues:

- a. Whether the company failed to provide services to the customer according to legislation and to standards reasonably expected by an average person.
- b. Whether or not the customer has suffered any financial loss or other disadvantage as a result of a failing of the company.

In order for the customer's claim against the company to succeed, the evidence available to the adjudicator must show on the balance of probabilities that the company has failed to provide its services to the standard which would be reasonably expected and 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 I have not considered it in reaching my decision.

How was this decision reached?

1. In order to make a decision in this matter I must clearly distinguish between actions taken by the wholesaler and the duty owed by the retailer (the company) to its customers. Since the water market in England opened up to retailers in April 2017, all non-household (NHH) customers have been moved to a wholesale/retail split service. As a result, an NHH customer now only has a relationship with the retailer. In turn, an adjudicator operating under the Water Redress Scheme may 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 has

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responsibility. This includes, however, the effectiveness with which the retailer has operated as an intermediary between the wholesaler and the customer.

2. The customer received a bill from the company for £8,862.20 for the six-month period ending May 2018. This was significantly higher than the usual six-month bill, which the customer reports as being approximately £600.00. The customer states that the matter was raised with the company on or around 22 June 2018. The customer also states that a written complaint was submitted on or around 4 July 2018 as a result of lack of action by the company.
3. The company states that the customer's meter was read on 4 May 2018 and the reading showed high usage compared to previous readings. The company states that it raised an internal case for investigation. The company also states that it sent a letter to the customer on 14 May 2018 advising the customer of the high usage, giving details of the meter location, how to check for leaks and offering assistance if required. The customer states that this letter was not received. I note that the company has not provided a copy of this letter.
4. The company states the customer called the company on 19 June 2018 concerning the high usage and the company states it provided instructions on how to check for leaks and advised the customer of the meter location to allow the customer to check the reading.
5. The company states that a call was received from the customer on 22 June 2018 advising that the customer was unable to locate the meter from the information provided by the company. The company subsequently requested its meter reading contractor to carry out a further meter reading. The documents submitted show a request was made for a meter reading at the end of June 2018.
6. The company confirmed that the customer submitted a letter of complaint dated 4 July 2018.
7. The customer requested the meter reading be checked and for help in identifying the correct meter serving the premises. The customer also states that she had requested to be notified when the company had made arrangements for a visit to the premises to carry out the checks so the customer could be in attendance. The company acknowledges the customer had requested to be notified of when the visit, which would be by the wholesaler, would take place, but accepts it failed to communicate this to the wholesaler. The company does note that calls are made to customers to arrange appointments so that the customer would have had the

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opportunity to attend. However, I am conscious that the company has not provided evidence that appointments were made with the customer.

8. The first requested meter reading was taken on 10 August 2018. The customer has advised that she was not aware of this visit and therefore did not attend. The customer was not satisfied with the feedback provided from the wholesaler's visit on 10 August 2018 and a request was made for a further visit with the customer in attendance. This request was declined on the basis that a visit had already taken place and confirmed that the meter was the correct meter for the customer.
9. Following further requests, the company arranged for the wholesaler to make another visit. That visit took place on 26 September 2018 with the customer in attendance. The company states that during that visit, the previous findings were confirmed to the customer. The company also notes that during that visit the customer was advised there was a potential leak on the supply. The company notes that the customer advised she would arrange to have the leak repaired. The leak was repaired on 26 October 2018.
10. The company notes that leak allowances are not a retailer activity and that it is not an area they have control over in the NHH market. The company also notes that the wholesaler does not include leak allowances in its policy for NHH customers.
11. In accordance with Rule 3.5 of the Water Redress Scheme (WATRS) Rules, a WATRS adjudicator does not have authority to evaluate the fairness of contract terms and/or commercial practices operated by a water supply company. In relation to the customer's complaint I am therefore unable to comment on whether or not a leak allowance should have been applied but I can examine whether or not the actions of the company have given rise to, or contributed to, any loss incurred by the customer.
12. Whilst neither the company nor the wholesaler has a policy for leak allowances, the company advises that the wholesaler has provided a leak allowance (via a gesture of goodwill for 1,530 m³ as a contribution to water lost due to the leak). This allowance was based on assessed increased usage between the dates of the two visits on 10 August 2018 and 26 September 2018 in recognition that the leak could have been detected earlier. This allowance has a monetary value of £1,591.35. The company states this has been credited to the customer's account.

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13. The customer considers that had the company correctly informed the customer of the leak earlier then steps could have been taken to repair the leak immediately. The customer submits that had the company responded in a timely manner the bill for water supply would not have increased to over £15,000.00.
14. I accept that leaks on supply pipes are the responsibility of the customer. The company reads the customer's meter each six months. Consequently, any increased usage prior to the company reading the meter on 4 May 2018 is the customer's responsibility. Therefore, I find that the matter to be determined is whether or not the company's actions following the time when it noted the customer's usage had significantly increased were reasonable and to the standards required.
15. The statements made by the company in relation to its letter dated 14 May 2018, referred to earlier, indicate that the company considered the increased usage from previous periods was significant enough to warrant an investigation. It also indicates that the company considered a possible cause of this increased usage would be a leak. The letter also refers to an investigation; however, apart from issuing the letter, the company has not indicated what form any investigation took or what the outcome was of any investigation.
16. Although the company noted the high usage in May 2018, it was not until 26 September 2018 that the company arranged a visit as requested by the customer, with the customer in attendance, and identified that there was a leak on the customer's supply.
17. Documents submitted show the customer was pursuing this matter from around 19/22 June 2018. This is acknowledged by the company. Documents submitted also demonstrate that there was poor communication between the company and the wholesaler resulting in delays in meeting the customer's requests for assistance. This is a matter between the company and the wholesaler. However, the company has a duty to ensure it communicates effectively with the wholesaler on behalf of the customer and to ensure any poor communications between retailer and wholesaler do not adversely affect the customer.
18. The customer submitted a written complaint on 4 July 2018, which is acknowledged by the company. Under the Guaranteed Standards Scheme (GSS), the company must provide a substantive reply to the customer within 10 working days. The company has not provided

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evidence that a substantive reply was issued. There were delays in providing the customer with responses. The customer followed up with the company on a number of occasions seeking responses. Under the GSS, if the company fails to provide a substantive reply to a written complaint within 10 working days, the company is required to make a payment to the customer in the sum of £20.00.

19. In this respect I am satisfied that the company has failed to provide services to the required standards in relation to responding to complaints in the required timeframe. The company acknowledged that there were failures in its standards of service and made a payment to the customer in the amount of £100.00. I am satisfied that the company has compensated the customer for failure in providing services as required under GSS. I direct no further payment in regard to these failures.
20. However, the factor now to consider is whether the customer has suffered any financial loss resulting from the company's failure to provide services to the required standards in relation to the delay caused.
21. As referred to earlier, the letter the company states was sent to the customer on 14 May 2018 offered assistance to the customer. It is reasonable that the customer, on receipt of a bill showing unusually high usage, should contact the company to query the bill. There are a number of possible reasons why a bill could show high usage and it is reasonable for the customer to expect the company to assist in establishing why this bill was unusually high.
22. The company was aware the meter reading was higher than normal. Having established that the meter reading was correct and there were no leaks from the meter, I am mindful that the company could have confirmed to the customer if it considered the most likely cause of the high reading was a leak on the customer's pipework. I consider that this could have allowed the customer to investigate and repair earlier.
23. I consider that poor communication between the company and the wholesaler resulted in delays in the wholesaler attending the customer's premises and the customer being able to meet the wholesaler on the premises. This in turn caused delays in identifying the leak. I am satisfied that this resulted in the next bill to the customer being significantly higher than it would have been had a leak been identified sooner. This has been acknowledged by the company/wholesaler in making the goodwill gesture payment of £1,591.35.

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24. The first recorded visit to the customer's premises following the customer's request took place on 10 August 2018. This was initiated by the company on 3 August 2018.
25. The wholesaler's visit on 10 August 2018 took place seven days after the request was submitted. From the customer's call on 22 June 2018, using 7 days as the time to arrange a visit, I consider that it would have been reasonable for a visit to have taken place on or around 29 June 2018. Had this been done, it should have been possible to have confirmed there was a leak on or around 29 June 2018. The customer could then have taken appropriate action to isolate the supply and rectify the leak.
26. Although the company states leak allowances are not part of the wholesaler's policy for NHH customers, an allowance had been made for water lost during the period between 10 August 2018 and 26 September 2018. The company notes this allowance was applied in recognition that the leak could have been identified on the first visit on 10 August 2018.
27. I conclude that the failure by the company in standards of service caused a delay in identifying the leak. The period of this delay was from 29 June 2018, the date when I have determined a visit could have taken place and the leak could reasonably have been identified, to 26 September 2018, the date the leak was actually identified.
28. I find that the company's failure to respond to the customer's requests to attend the customer's premises in a timely manner resulted in the leak not being detected at an earlier stage and the customer continued to suffer loss through leakage. I find that the amount credited to the customer's account is insufficient as it does not take account of the full extent of the delays caused by the company's failure.
29. In order to assess the compensation to be applied for the period from 29 June 2018 to 26 September 2018, I have made an assessment of the average daily consumption (ADC) during the billing period covering the time of the leak. The bills issued by the company for the period from 1 December 2017 to 2 November 2018 show a reading at the start of the period of 5867 (estimated) and a reading at the end of the period of 20913. This is an overall consumption of 15,046 m³, resulting in an ADC during that 336-day period of 44.78 m³. As I have insufficient information to calculate the ADC during a period of normal use, I have taken the ADC assessed by the wholesaler during the period from 19 August 2014 to 23 November 2016 of 2.12 m³,

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referred to in an email dated 12 February 2019, and deducted this from the ADC I have assessed from 1 December 2017 to 2 November 2018. This results in an average daily leakage of 42.66 m³. Applying this to the period from 29 June 2018 to 26 September 2018, a total of 89 days, results in a total assessed leakage of 3,797 m³.

30. The unit charge for water during the period from June 2018 to September 2018 is £1.0401 per m³ as shown on the bills. The total compensation to be credited to the customer is therefore £3,949.33.
31. The company states that it has already credited the customer's account in the amount of £1,591.35. I therefore direct the company to credit the customer's account the further sum of £2,357.98, this being the difference between the total compensation I assess at £3,949.33 and the sum already credited to the customer of £1,591.35.
32. The customer has noted that sewerage charges are billed by a different organisation. Since the customer's sewerage is not dealt with by the company, billing matters in relation to sewerage are not within the scope of this adjudication. It is noted, however, that water lost through leakage should not be taken into account in the calculation of sewerage charges.
33. In light of this, I therefore direct the company to provide the customer with a statement of the total volume of water supplied and assessed to be lost as a result of the leak, together with such further information as may be reasonably required, to allow the customer's sewerage charges to be correctly assessed. This shall be assessed from the total consumption finally billed for the period covering the leak from 1 December 2017 to 2 November 2018 and the company's assessed ADC of 2.12 m³ from a period when consumption was normal. It should be noted that any information provided by the company can only assist the customer and cannot guarantee the customer's sewerage company will adjust any charges.
34. Customers are responsible for maintaining their own supply pipework. The customer therefore remains liable for water lost from the leak that occurred over and above the sum deducted above. The customer may wish to consider carrying out its own meter readings on a regular basis to help mitigate losses that may arise should a leak occur in future.

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Outcome

The company shall credit the customer's account in the sum of £2,357.98 in respect of additional losses resulting from the company's failure to meet the expected standards of service. This is in addition to the sum of £1,591.35 already applied to the customer's account.

The company shall use reasonable endeavours to provide relevant information and assistance to allow the customer to ensure the water lost through leakage is not considered in calculating the sewerage charges.

What happens next?

- This adjudication is final and cannot be appealed or amended.
- The Customer must reply by 19 July 2019 to accept or reject this decision.
- When the Customer notifies WATRS of acceptance or rejection of the decision, the Company will be notified of this. The case will then be closed.
- If the Customer does not inform WATRS of his acceptance or rejection of the decision by the date required, this will be taken as a rejection of the decision.



Ian Raine (BSc CEng MIMechE FCI Arb MCIBSE)

Adjudicator

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