

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1434

Date of Decision: 17 June 2019

Complaint

The consumption for the customer's business premises is normally consistent and bills are usually approximately £200.00 per billing period. However, the bill received for the billing period between December 2018 and March 2019 was almost £2,000.00. The customer queried whether his meter was faulty. The company advised him to conduct a leak and flow test which confirmed there were no leaks. However, the company has not explained the cause of the consumption spike and has refused to waive any charges. The customer wants the company to conduct further testing and waive the disputed bill.

Defence

The company states that, as there is no evidence of a leak or fault, it cannot ask the wholesaler, RST Water Services, to apply a leakage allowance to the customer's account. Under the wholesaler's Leakage Allowance Policy an allowance will only be granted where a leak has been identified and repaired. The company has done everything possible to help the customer, including offering a Meter Accuracy Test, a High Consumption Investigation and a Leakage Find and Fix, however, the customer has declined to accept any of these services. The customer's water consumption has returned to normal usage levels and, therefore, a fault with the meter is unlikely. The consumption has passed through the customer's meter and is, therefore, correct and chargeable.

The company has not made an offer of settlement.

Findings

In my role as an adjudicator operating under the Water Redress Scheme I can only make findings related to the company's areas of responsibility, and not the wholesaler's areas of responsibility. As no leak or fault has been found, I accept that the company cannot request the wholesaler to apply an allowance to the customer's account under the wholesaler's Leakage Allowance Policy. I also find that there is no statutory or policy basis on which to direct the company to waive the bill. The company has offered the customer further testing to identify the cause of the consumption spike, however, as the consumption returned to normal levels in March 2019, it is unlikely that further testing would be worthwhile. The evidence demonstrates that, on the balance

of probabilities, the consumption recorded on the customer's meter is correct and chargeable. Therefore, I do not find that the company has failed to provide its service to the standard reasonably expected by the average customer by failing to waive the customer's bill.

Outcome

The company does not need to take any further action.

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

ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1434

Date of Decision: 17 June 2019

Party Details

Customers: []

Company: [].

Case Outline

The customer's complaint is that:

- The water consumption for his business premises is normally consistent and the bills are approximately £200.00 per billing period. However, following a meter reading in February 2019, he received a bill of almost £2,000.00.
- He contacted the company and queried whether his meter was faulty as he could think of no other reason for the consumption spike. The company advised him to complete a leak and flow test and the results of the test confirmed there were no leaks.
- He has taken several meter readings and these show that consumption has now returned to the normal level. However, the company has not given a clear explanation of the cause of the water consumption spike.
- He has attempted to negotiate with the company and suggested splitting the increased consumption with the company on a 50/50 basis. The company has suggested that he pays for further testing or engages a plumber to test for private leaks, but will not waive the bill.
- He wants the company to waive his bill and conduct a Meter Accuracy Test or High Consumption Investigation.

The company's response is that:

- RST Water Services is the wholesaler for the customer's water and sewerage supply, whilst the company is the customer's retailer for both elements. As the customer's retailer, it is responsible for three things; customer service, billing, and reading the customer's water meter a minimum of once a year.

- The policy on leakage allowance is owned by RST Water Services and is stated within its annual charges policy, which in this case is for the year 2018/19. RST Water Services has strict rules and criteria when it comes to granting leakage allowances and these cannot be overruled by a retailer. The policy states that a leakage allowance can only be granted where a leak is found and repaired.
- The customer's meter was read on 20 February 2019 and this showed an average consumption of 7.04 cubic meters per day. Previous to this, the customer's historical consumption since 17 November 2015 was between 1.61 cubic meters and 2.72 cubic meters per day.
- It sent a bill to the customer based on the meter reading taken on 20 February 2019 and, due to the spike in consumption, the customer queried whether his meter was faulty.
- It advised the customer to complete a leak and flow test to identify any leaks on the meter or the pipework up to the internal stop tap. The customer completed the test and the results showed that there were no leaks.
- To ensure the leak and flow test had been completed accurately, it told the customer he could engage a plumber to check for internal leaks and also offered to provide quotes for a Meter Accuracy Test, a High Consumption Investigation or a Leakage Find and Fix.
- During March 2019, the customer took further meter readings and these confirmed that consumption had returned to normal. In view of this, it concluded that either the customer experienced a leak which had been repaired, or the meter reading of 20 February 2019 was a true reflection of the customer's usage.
- The wholesaler confirmed that meters very rarely over record. The wholesaler explained that a meter works by water passing through and turning the paddles which turn the dials. If the pressure is too low the meter can under record because the flow is too low to turn the paddles. If the meter is very old the meter paddles can erode and also cause the meter to under record. Over recording would be caused by the meter being faulty. It would be very unlikely for a meter to be faulty and then return to normal without being repaired.
- The customer has not accepted the offer of further testing to date but, in any event, a Meter Accuracy Test may be ineffective. As above, it is most unlikely that a meter would over record and then return to normal without being repaired. As the customer's consumption has returned to normal, it indicates that the meter is not faulty.
- It states that a High Consumption Investigation would also prove ineffective because, as the consumption has returned to normal, there is no high consumption to investigate. Furthermore, as the customer has confirmed there is no leak, the Leakage Find and Fix service is unlikely to find one.

- However, if the customer pays for further testing and the results show that there is a leak or fault, it will approach the wholesaler and request an allowance.
- As the customer's retailer, it cannot reduce the customer's bill in house as it operates in a competitive market and the majority of the bill represents the wholesale cost, which has already been paid by the company as the consumption has passed through the meter. As no leaks or faults have been found, the consumption shown on the meter reading of 20 February 2019 is true and, as such, is chargeable.
- It accepts that there were several customer service failings during the complaints process and has made payments to the customer in accordance with the Guaranteed Standards Scheme (GSS).
- It has not failed to provide its service to the standard that the average customer is reasonably entitled to expect by charging for the water that has passed through the customer's meter.

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. Having read the evidence provided by both parties I find that the company is the customer's retail provider and is responsible for billing, accounting and customer services. RST Water Services is the customer's wholesaler and, as such, is responsible

for the maintenance and repair of the water and sewerage assets and, in the event of leaks, the calculation and authorisation of leakage allowances.

2. 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 customers have been moved to a wholesale/retail split service. As a result, a non-household 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 responsibility. This includes, however, the effectiveness with which the retailer has operated as an intermediary between the wholesaler and the customer.
3. Having reviewed the evidence, I accept that the meter reading taken on 20 March 2019 shows a significant increase in consumption compared to the customer's historical consumption and that, following the leak and flow test conducted by the customer, the parties agree that the consumption spike was not caused by a leak. The meter readings taken by the customer during March 2019 demonstrate that consumption returned to the normal level, in line with historical readings, and this further supports the finding that the consumption spike was not caused by a leak.
4. I have reviewed the information sent to the company from the wholesaler regarding the way meters record consumption and the reasons meters over and under record. In view of this, and the fact that the customer's consumption returned to normal, I find it unlikely that the meter was faulty.
5. The customer states that the company has not offered a Meter Accuracy Test or a High Consumption Test and he wants the company to carry out these investigations. Having reviewed the email sent from the company to the customer on 28 March 2019, I find that further investigations were offered and I note that the company is still willing to conduct these tests should the customer instruct it to do so.
6. The company states that any further investigations will be chargeable to the customer and, having considered the evidence, I find no evidence to suggest that the company is

obliged by statute or policy to provide these services free of charge. Therefore, I find no failing on the company's behalf in this regard.

7. However, having considered the evidence presented by the company, I accept that a Meter Accuracy Test, a High Consumption Investigation and a Leakage Find and Fix are unlikely to be worthwhile given that the parties agree there is no leak and the customer's consumption has now returned to historical levels.
8. The company states that, as no leaks or faults have been identified to date, it cannot request a leakage allowance on the customer's behalf from the wholesaler. I have reviewed the wholesaler's policy on leakage allowances and accept that the customer's circumstances do not fit the eligibility criteria; the wholesaler will not consider an allowance without evidence of a leak and confirmation that it has been repaired. As the parties agree there is no evidence of a leak, I cannot find that the company's failure to request an allowance from the wholesaler falls below the standard the average customer is reasonably entitled to expect. However, I note the company's assertion that should the customer request it to conduct further investigations that demonstrate the presence of a leak or fault, the company will ask the wholesaler to consider a leakage allowance on behalf of the customer.
9. The company states that it cannot simply waive the charges as the majority of the bill represents the wholesale cost, which has already been paid by the company. Having reviewed the evidence, I cannot find that the company's refusal to waive the charges amounts to a failing on the company's behalf; the company is entitled to charge for water services in accordance with Section 144 of the Water Industry Act 1991 and, as no leaks or faults have been identified, on the balance of probabilities I find that the consumption shown on the meter reading of 20 February 2019 is correct and chargeable.
10. It therefore follows that the customer's claim cannot succeed. I appreciate that this decision is likely to disappoint the customer but, without evidence of a leak or a fault, I find no basis on which to direct the company to waive the charges.
11. The customer does not complain about the standard of the company's customer service but, for completeness I add that, having reviewed the evidence supplied by CCWater, I accept that the company has made payments to the customer's account to satisfy its

obligations under the GSS guidelines set out by the industry regulator, Ofwat. I therefore make no further direction to the company in this regard.

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 July 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

Katharine Wilks

Adjudicator