

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1459

Date of Decision: 11 June 2019

#### Complaint

The customer submits that he bought his house in 1988 before the introduction of water meters. In 2017, he discovered that the water charges for a neighbouring property were substantially less than what he was paying. A meter was fitted at his property. His analysis of usage after a year show that he was paying approximately £1,000.00 a year before the water meter was installed. He paid his bills in good faith. He considers it distressing to realise how much more money he paid towards his invoices. Further, he submits that the company did not actively promote metering and has acted irresponsibly. The company also failed to inform him of its complaints procedure. The customer requests compensation in the sum of £9,205.52.

#### Defence

The company submits that it has complied with the necessary legislation and guidance regarding water meters and their installation. It promotes meters when it receives telephone or written contact from customers; in its newspaper; and on bills. It has also historically run campaigns promoting water meters, such as on radio, bus, poster and local newspaper advertisements. The customer's November 2018 contact was not deemed to be a complaint, rather a billing enquiry and was therefore not subject to its complaints procedure. This meant that the customer did not have to be advised as to how the matter could be escalated if necessary. No offer of settlement was made.

#### Findings

Under the Water Industry Act 1991, a customer must elect for charging on a metered basis and until such time as a customer does so, the Rateable Value (RV) tariff is the legal basis of charging. The evidence supports the company's submissions that information about metering was provided to the customer. There is no evidence to show that the company charged the customer incorrectly on the RV basis between 1988 (when he purchased the property) and 2017 (when the meter was fitted). However, the company has not shown how it was fair and reasonable to deem the customer's 9 November 2018 letter as a billing enquiry only and not a complaint.

#### Outcome

The company needs to take the following further action:

I direct that the company pay the customer compensation in the sum of £50.00.

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The customer must reply by 9 July 2019 to accept or reject this decision.

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**[www.WATRS.org](http://www.WATRS.org) | [info@watsr.org](mailto:info@watsr.org)**

# ADJUDICATOR'S DECISION

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Date of Decision: 11 June 2019

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

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

- He bought his house in 1988 before the introduction of water meters, and set up a Direct Debit for his water bills. Each year subsequently he received a bill which stated "You don't need to do anything – you're paying by Direct Debit."
- In 2017, he happened to view an Estate Agent's brochure for a neighbouring property and realised that their water charges were substantially less than what he was paying.
- He contacted the company and a meter was fitted at his property. His analysis of usage after 12 months show that he was paying approximately £1,000.00 a year before the water meter was installed.
- He paid his bills in good faith and he finds it distressing to realise how much money he paid above the cost for the company's services. He states that the company has acted irresponsibly. When meters were introduced the company should have invited him to have a meter fitted. In a similar way that energy companies are now introducing Smart meters and are emailing and calling customers to have Smart meters fitted. He should not have had to rely on an estate agent's brochure. The company state that it did not contact him as the customer could consider it a nuisance call.
- The company state it actively promotes metering to customers. It states that it does this by telephone or written contact and with bills literature. However, he does not believe that this is actively promoting. His bill for 2016/17 was the first bill he has seen with a note on the front

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where it states a saving of between £300.00 and £400.00 could be made. This is a gross understatement based on his analysis.

- He contacted the company in November 2018 and followed by a letter to the Consumer Council for Water (CCW) and a submission to WATRS thinking that he had followed the correct procedures. However, he was referred back to the company as he had not exhausted the official complaints procedure. The company then issued him with a detailed leaflet of how to complain. It did not volunteer a copy of the procedure when he originally wrote to it. The company should have done so in the first place and saved him time and effort.
- The customer requests compensation in the sum of £9,205.52.

**The company's response is that:**

- Section 142 of the Water Industry Act 1991 empowers it to demand and recover charges from persons to whom it provides services.
- Section 143 of the Act empowers it to produce a Charges Scheme to outline the charges to be paid by its customers. This Scheme is created in accordance with guidance by Ofwat. Included in its Charges Scheme are provisions relating to being charged according to the Rateable Value (RV) of a property, or in accordance with the usage recorded by a water meter.
- Section 144 of the Act provides the right for customers to elect to be charged according to the volume of water supplied to the property. To do this the customer must provide it with a measurable charges notice i.e. a water meter application form. In most circumstances, if a measured charges notice has not been served then it cannot and will not force a customer to be billed according to the volume of water used.
- There is no obligation on it to take the steps suggested by the customer to promote the use of water meters.
- Whilst on average customers' bills will reduce when changing from RV billing to metered billing, this is not always the case. In properties where the usage is high, it is possible that the charges could increase when changing to metered billing. It is highly likely that the steps that would have to be taken to identify which RV properties would benefit from a meter, which would entail contacting each individual customer to discuss their usage, and would be disproportionate and costly.
- Moreover, the type of direct contact that would be needed to actively promote water meters to RV customers, could be construed by some customers as being nuisance calls, which could lead to complaints from those who do not wish to have meters installed.

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- On this basis, it adopts a practice or promoting meters in other ways which it believes is best. For example when it receives telephone or written contacts from customers. The benefits of having a water meter installed are promoted in WaterLevel, its customer newspaper, which all customers receive in the post. This was first produced in 1998 when it was sent bi-annually, from 2005 onwards the publication was sent annually.
- Further, the main way that the company promotes water meters to RV customers is via the bills issued, the back of which contain advice to customers about meters, and prompts them to visit its website or call to receive information about whether or not they could save money by having a meter installed. It has also historically run campaigns promoting water meters, such as radio, bus, poster and local newspaper advertisements.
- The customer has suggested that he did not take notice of the provision on the bill as it said “you don’t need to do anything – you’re paying by direct debit.” This was meant to advise the customer that he was paying by Direct Debit and that he did not have to worry about taking steps to settle the bill received. The customer has unfortunately appeared to have misconstrued this assertion; however, this was through no fault of its own.
- The customer has also failed to provide categorical proof that between 2003 and 2017, his usage would have been such that he would have paid £9,205.52 less.
- The customer’s November 2018 was not deemed to be a complaint, but rather a billing enquiry and was therefore not subject to its complaints procedure, and this meant that the customer did not have to be advised as to how the matter could be escalated if necessary.

### 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.

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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. I must remind the parties that adjudication is an evidence-based process.
2. 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.

### ***Charge basis***

3. I accept the company's submission that under Section 143 of the Water Industry Act 1991 that the company is entitled to make a Charges Scheme which fixes the charges for any services provided by the undertaker in the course of carrying out its functions.
4. I also accept the company's submission that under Section 144A of the Water Industry Act 1991 a customer must elect for charging on a metered basis by serving a measured charges notice and until such time as a customer does so, the RV tariff is the legal basis of charging. It is not within my power to disregard or challenge this legislation.
5. The customer does not refute receipt of the company's newspapers and bills, or dispute that information about water meters was given on this literature.
6. There is no evidence to show that the company is obliged to monitor individual customer's usage, in comparison with their neighbours or alone, and contact each individual customer to discuss their usage. I accept the company's submissions that without being aware of the size of a customer's household or how water is used in that household, it would not be able to ascertain if a customer's bills were higher than necessary.
7. I acknowledge the customer's submissions that the company also states on its bills that "You don't need to do anything – you're paying by Direct Debit." However, I am inclined to accept, on a balance of probabilities, the company's submission that this was meant to remind customers

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that they are paying by Direct Debit and not that information about water meters was not applicable to them.

8. There is no evidence to show that the company charged the customer incorrectly on the RV basis between 1988 (when he purchased the property) and 2017 (when the meter was fitted).
9. I also acknowledge the customer's submission about the fairness of the company's charging bases. However any question regarding the fairness of the company's charges are outside the scope of WATRS and fall out of my remit to consider. Under WATRS Rule 3.4.1, WATRS is not the appropriate forum to determine any complaints regarding the fairness or otherwise of the company's charge bases. My remit is to determine whether a company has acted in accordance with legislation and/or its published policies and the evidence submitted to this adjudication shows that the company has fulfilled this obligation.
10. Consequently, I acknowledge the customer's claim and I can appreciate that the customer will be disappointed that I am not in a position to direct the redress sought. However, in view of all of the above, in the absence of any evidence to show that the company has acted contrary to any law or policy, or charged the customer incorrectly, the customer has not shown that the company is obliged to backdate the metered charges.

### ***Customer service***

11. The customer submits that he contacted the company in November 2018, but the company failed to inform him about its complaints procedure, as a result of which he contacted CCW and WATRS prematurely which wasted time and effort.
12. The company states that the customer's November 2018 letter was not deemed to be a complaint, but rather a billing enquiry and was therefore not subject to its complaints procedure.
13. A copy of the customer's 9 November 2018 letter has been submitted in evidence. Having carefully considered this letter, I find that the contents of the customer's letter are a clear expression of discontent and should have been deemed a complaint. I note the company's submission that the letter was deemed to be a billing enquiry rather than a complaint. However, I am also particularly mindful of the customer's previous correspondence of 27 September 2018 in which the customer had already made a billing enquiry. The company has not clearly shown

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how it categorises correspondence which express discontent and that it was fair and reasonable to deem the customer's 9 November 2018 letter as a billing enquiry only. I am not satisfied that the company provided its services to the customer to the standard to be reasonably expected in this regard.

## **Redress**

14. The customer requests £9,205.52 compensation. As discussed above there is no evidence to show that the company has acted contrary to any law or policy or charged the customer incorrectly, and is obliged to backdate the metered charges. However, in view of my finding that the company failed to provide its services to the customer to the standard to be reasonably expected in relation to the customer's letter of 9 November 2018, I am satisfied that the customer is entitled to a measure of compensation for the distress and inconvenience caused. Having carefully considered the evidence provided, I find the sum of £50.00 to be a fair and reasonable level of compensation. I therefore direct that the company pay the customer compensation in the sum of £50.00.

### **Outcome**

The company needs to take the following further action(s):

I therefore direct that the company pay the customer compensation in the sum of £50.00.

## **What happens next?**

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 9 July 2019 to accept or reject this decision.
- If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date on which WATRS notifies the company that you have accepted my decision. If the company does not do what I have directed within this time limit, you should let WATRS know.
- If you choose to reject this decision, WATRS will close the case and the company will not have to do what I have directed.

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- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.
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**U Obi LLB (Hons) MCI Arb**  
**Adjudicator**

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