

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1460

Date of Decision: 19 June 2019

#### Complaint

The customer advised that his water charges are unfair, and submits that the company should place him on its Low Income Tariff for Eligible Households ("LITE") tariff which would reduce the amount of his bills. He is also unhappy about the way in which he was dealt with by the company including the way in which his application for the LITE tariff was handled, and asks that the company be required to publish its charges and the information from the ministry of justice used to determine eligibility for the LITE tariff on its website, as well as providing him with further information about how his application was assessed and making an apology for its allegedly poor service. Finally, he claims compensation of £300 for the alleged waste of time that the complaint procedure has caused him.

#### Defence

The company denies that it is at fault. It submits that it has provided the customer with information about its charging scheme (which is also on its website), the ministry of justice allowances, and the way in which the customer's eligibility for the LITE tariff was assessed. Following an assessment process, it was decided that the customer was not entitled to the LITE tariff. The company therefore submits that it was entitled to charge the customer on the basis of its "standard" tariff, and that it has done so properly and in accordance with its statutory obligations.

#### Findings

The customer has not proven any failing by the company.

#### Outcome

The company does not need to take any further action.

The customer must reply by 17 July 2019 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1460

Date of Decision: 19 June 2019

## Party Details

**Customer:** [ ] (the "customer").

**Company:** [ ] (the "company").

## Case Outline

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

- The customer moved in to his current residence on 7 April 2018. He submits that his first water and sewerage bill was incorrect because (1) it was based on an estimated of his water consumption, and (2) the start date for the bill was 22 February 2018 and not 7 April 2018. He complained to the company which sent him a revised bill dated 27 June 2018. However, he considers that the revised bill was unclear and submits that the company was slow to send him information about their tariffs (which he could not find on their website). He also raised concerns about other bills that he received, and is unhappy about the fact that the company required him to "pay at once".
- When the company sent the customer the information about its charges, he saw that the cheapest charge was LITE 80 and he made an application to be placed on this tariff, using the application form that was supplied to him by the company. However, he complains about the way in which the form was set out, as the only expenses it asked about were rent and council tax - it did not ask about his other expenses like food, clothing and so on.
- The customer further complains that his application for the LITE tariff was determined not by the company but by the Central and East Northamptonshire Citizen's Advice Bureau (the "CAB"). He considers that the CAB was not entitled to determine the application because it is in a different region, and because it does not have the requisite authority as it is not an "arbitral body".

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- The CAB decided that the customer was not entitled to the LITE tariff. The customer contests this decision, in particular because the CAB relied on figures from the Ministry of Justice which the customer says it did not provide to him, and because the company has not provided him with the "whole calculation process". The customer is also unhappy that his application for the LITE tariff was rejected because, although he agrees that he is entitled to housing and council tax benefit, he has decided not to apply for them because he does not want to accept benefits from the government. The customer therefore argues that it is unfair for the company and the CAB to take his entitlement to these benefits into account when calculating his disposable income.
- The customer also alleges that the company's conduct is unethical, amounts to "fooling" and "blackmail", and that it is making an undue profit given the level of its charges for water and sewerage.
- The customer asks me to require that the company publish the customer charges scheme and the Ministry of Justice guidance on its website, and that it supply him with a full explanation of its assessment process. He also asks that the company be required to put him on the LITE 80 tariff, without any standing charge.
- The customer also seeks an apology and claims compensation of £300 for the alleged waste of time that the complaints procedure has caused him.

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

- The company submits that it was entitled to charge the customer as it did, under sections 142 - 144 of the Water Industry Act 1991. It submits that it has established a charges scheme in accordance with section 143 of this Act, and it notes that this scheme allows it to charge for water and sewerage on the basis of estimated readings, which are calculated on the basis of the customer's average daily consumption.
- The company accepts that it issued a bill on the basis of information from the customer's landlord to the effect that the customer had moved into his property on 22 February 2018. However, when the customer informed the company that he had only moved into the property on 12 April 2018, the company cancelled this first bill and issued a revised bill based on the correct date. The customer was therefore not charged for the period before he moved into his property.
- The company also notes that when the customer complained about the amount he was being charged, it conducted a leak test, but no leaks were detected.
- The company notes that explanations of its tariffs are available on its website ([www.\[.co.uk\]](http://www.watrs.co.uk)) and were also sent to the customer.

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- Regarding the tariff that the customer is charged, the company explains that LITE is a tariff which is intended to support customers with a low disposable income. In order to benefit from this tariff, a customer must make an application to allow the company to assess his or her financial circumstances. The company explains that it has an arrangement with the CAB under which, if an applicant meets the criteria under the company's initial assessment procedure, the application is sent to the CAB which conducts an independent assessment of the application for the LITE tariff.
- The company explains that the customer applied for the LITE tariff and passed the initial assessment procedure, so his application was referred to the CAB for further assessment. The company also explains that in deciding an applicant's level of disposable income, the procedure is to deduct the applicant's housing costs (rent and council tax) from the applicant's income. There is then a further deduction of a "personal allowance", which is a fixed amount that is designed to take into account the person's other expenditures. The "personal allowance" varies depending on the person's age and personal situation in terms of any spouse, dependants, pension and disability, and is fixed on the basis of figures that are published yearly by the Ministry of Justice. These figures are also used in other contexts (for example, in the court system).
- In this case, the CAB concluded that the customer did not qualify for the LITE tariff because the customer was eligible for council tax and housing benefits, although he had decided not to claim them. The company explains that the CAB takes these benefits, or an entitlement to them, into account when deciding on a person's disposable income for the purposes of his or her entitlement to the LITE tariff.
- The company therefore submits that under the Water Industry Act 1991 and the company's charges scheme, it was entitled to charge the customer in accordance with its "standard" tariff, because the customer had not successfully submitted an application for any alternative tariff. The company explains that its standard tariff include both a fixed charge (or standing charge) and a charge per cubic meter in respect of both water and sewerage. The charge per cubic meter for water is determined on the basis of the customer's water meter readings, and sewerage is charged on the basis of 90% of the water supplied to the property. The company denies that the customer has put forward any evidence to suggest that the charges it levied were incorrect.
- The company submits that it has provided the customer with all relevant information regarding its own charges (which are also on its website), the ministry of justice allowances, and the way in which the customer's eligibility for the LITE tariff was assessed.

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- It concludes that it is not required to issue an apology or pay any compensation as it denies any service failings.

### 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. The customer complains about the way in which his water bills were established. He is unhappy with the use of estimated meter readings, and with the fact that his first bill was calculated from a date before he moved into his property.
2. However, I find that when the customer contacted the company to correct the date on which he moved into his property, the company cancelled the first water bill that it has issued and reissued a bill with the correct starting date. The company also correctly states that it is entitled to make use of estimated meter readings. I do not consider that the customer has shown that there are any other uncorrected errors in his water bills. I therefore do not find that there are any failings in the service that the company provided the customer in this regard.

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3. Secondly, the customer submits that his water bills are too high, alleging that the company should place him on the LITE tariff.
4. The company considered the customer's application for the LITE tariff and as the customer passed its initial assessment phase, it forwarded the customer's application to the [            ] Citizen's Advice Bureau for further assessment. The CAB is an independent charity and I do not consider that the customer has established that there was anything wrong with the company's decision to refer his application to them. Doing so is in accordance with the company's standard procedure. I do not consider that it is relevant that the CAB is not based in the same region as the customer, nor that (as argued by the customer) it does not operate as an arbitral body.
5. The customer also submits that the CAB's decision that he was not eligible for the LITE tariff is wrong. He complains that the application process did not take into account his expenses other than rent and council tax. He is also unhappy that the CAB took into account the fact that he is eligible for housing and council tax benefit, when he has decided that he does not want to apply for benefits from the government.
6. I do not consider that the customer has demonstrated that the CAB provided him with a "poor service" as he alleges, or that there was anything wrong with the CAB's decision making process. Regarding the expenses other than rent and council tax, as explained by the company, these are in fact taken into account because each applicant is granted a "personal allowance" which is intended to reflect his or her other expenses. While the customer submits that he has not been provided information about how he was assessed, the company has explained that the "personal allowance" was calculated on the basis of figures provided by Ministry of Justice, which the company supplied to the customer (and it also makes the point that these figures are publicly available).
7. While the customer is unhappy with the fact that the CAB took into account his entitlement to benefits that he has decided not to claim, I do not consider that there is anything wrong with it doing so. As explained by the company, the LITE tariff is a discounted tariff granted by the company to support individuals who are in a vulnerable position due to a low disposable income. If an applicant is entitled to claim additional income from housing or council tax benefit, the company takes this into account, even if the applicant decides not to apply for these benefits.

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8. Thirdly, the customer criticises the company for allegedly providing him with inadequate information about the process by which he was assessed for the LITE tariff. He asks that the company be required to publish its charges and the information from the ministry of justice used to determine eligibility for the LITE tariff on its website, as well as providing him with further information about how his application was assessed.
9. I consider that the company has provided a full and clear explanation, in its correspondence with the customer and in its defence, of how the customer was assessed. It has also provided the customer with its Charges Scheme and with the Ministry of Justice figures that were used in assessing his application for the LITE tariff. I therefore do not consider that the company has failed in the service it has provided to the customer.
10. Under s. 3.3 of the Water Redress Scheme Rules (2017 edition), I am entitled to decide on disputes concerning bills and payment, water supply services, and sewerage services. However, I am not entitled to decide on the way in which the company has established its Charges Scheme, nor on the decisions of the company or of third parties like the Ministry of Justice to make information available to the general public. I am also not entitled to request explanations from third parties, like the CAB. Insofar as the customer's complaint is asking me to do any of these things, that is outside my remit as a WATRS adjudicator.
11. Finally, the customer also makes some wider allegations about the way in which he has been charged for water and sewerage. He does not believe that the company should be able to charge a "standing" or fixed amount for water and sewerage, and he argues that the company's conduct in establishing its charges and in dealing with his complaint is "unethical" and amounts to "blackmail", and that the company is making an undue profit given the level of its charges for water and sewerage. Again, this is outside my remit as a WATRS adjudicator and should be raised in another forum.
12. I consider that the customer has not established that there are any errors in the way in which the company has billed him, in accordance with the Water Industry Act 1991 and its charges scheme. Although the customer is unhappy with the fact that his bills include a fixed (standing) charge element as well as a volumetric element, these charges are clearly set out in the company's charges scheme. The customer's other complaints, relating to blackmail and making of undue profits are outside the scope of the WATRS Scheme.

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13. In conclusion, I do not consider that the customer has demonstrated any failing on the part of the company. The customer's claim is therefore unable to succeed.

**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 17 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.

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Natasha Peter (Barrister, FCIArb)

**Adjudicator**

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