

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1472

Date of Decision: 29 August 2019

Complaint

The customer complains of a number of errors in the way the company has invoiced and refunded her, describing this as disorganised and chaotic. In particular, for a period of time the company billed her with reference to the wrong water meter, and when it discovered its mistake it refunded her an amount of £5,503.52. In March 2019, the company then rebilled her for her historical consumption by reference to the correct meter. Although the company has offered certain goodwill gestures, the customer believes that she should not have to repay any of the money refunded. She also requests an apology, and that the company confirm that it is replacing her water meter as promised. If her complaint is not successful, she requests that the company arrange a payment plan.

Defence

The company rejects the customer's complaint. It acknowledges that it has committed a number of service failings and states that it sincerely regrets these. However, it notes that if it does not reclaim payments for historical services, the effect would be that the customer would have received services for free from 2011 plus an additional windfall payment of £2,557.04. The company does not believe that this is reasonable or fair to its other customers, and considers that the goodwill gestures already granted are sufficient to compensate the customer for the distress and inconvenience she has suffered.

Findings

I find that the company has indeed failed to provide the service that would be reasonably expected by an average person, in a number of respects. However, I do not accept that this means that the customer should be entitled to keep the full amount of the refund, and in effect make no payments for water and sewerage from March 2011 to February 2019 while receiving a windfall payment of £2,557.04. However, I consider that the company should provide certain services to mitigate the impact of the situation it has caused and prevent it from recurring in the future.

Outcome

If the customer accepts this decision, the company must, within 20 working days of receipt of the acceptance (1) discuss with the customer and put in place a reasonable payment plan for the amount of £1,748.08 outstanding on the customer's account in respect of her historical consumption, and (2) confirm to the customer what steps it has put in place for replacing the meter. It must then carry out the replacement as soon as reasonably possible.

The customer must reply by [•] September 2019 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1472

Date of Decision: 27 August 2019

Party Details

Customer: [] (the "customer").

Company: [] (the "company").

Case Outline

The customer's complaint is as follows:

- The customer moved in to her property on 12 March 2011. Her complaint relates to a refund that was paid to her by the company in September 2018, which the company is now seeking to rebill (in part).
- In summary, the customer's explanation of the history of the dispute, as it appears from her application to WATRS and the correspondence with CCWaters, is as follows.
- The customer regularly paid her water bills since she moved into her property. In 2014, the customer's bills showed what appeared to be a spike in her water consumption. The customer disputed this and the company could not explain the reason for the spike, so applied a credit in the amount of £2,557.04 to her account in respect of the period of high consumption.
- The customer was still unhappy about the high level of her charges and therefore contacted CCWater. As a result, the company investigated her account further and in August 2018, it concluded that the reason for the spike was that the company had taken readings from the wrong water meter.
- In September 2018, the company therefore issued the customer with a refund of £5,503.52. The customer states that a representative of the company informed her of the refund and told her

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that, as a gesture of goodwill, she would not be billed for water until February 2019. She says that she asked the company's representative whether the sum was correct and how it was calculated, but he simply confirmed that it was correct and had been triple checked and approved by multiple senior members of the company's accountancy department. She also notes that the payment was not made on the date it was promised, but was delayed for a further week as it was going through checks to ensure that the refund was correct.

- The customer denies that she should have done more to investigate her bills, stating that the way in which the company has billed her historically has been chaotic and disorganised. As the bills made no sense to her, and as the company's customer service did not have a full picture of the account when she called and was therefore unable to assist, she stopped checking her bills and therefore did not realise that she was, after 2016, being charged on the basis of estimates.
- Following the refund, in March 2019, the customer then received invoices for around £2,000, relating to the period from 2011 to 2019. The customer queried this with the company. She considers that the company's response was rude and unfair, and did not take into account the full history of her case.
- She therefore contacted CCWater, and the company has subsequently agreed to waive part of the charges and has applied a credit of £250 to the account as a result of its billing errors, but this still leaves an amount of £1,748.08 payable.
- She remains dissatisfied with the company's conduct and submits that as a result of the company's errors, it should waive the full amount of her bills prior to February 2019, although she is happy to pay for services after this date. The customer submits that she has always paid her water bills promptly, and she is not trying to get out of her duty to pay for a service she has received. Nevertheless, the company's management of her file has been chaotic and this has left her with a large outstanding bill which it is difficult for her to pay. She notes that she used the money that was refunded to her to carry out building works to her property, so the requirement to repay some of the money would cause great financial stress.
- The customer accordingly requests an order that the company waive the amount of £1,748.08 on her water bill.

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- The customer also requests that, if she is unsuccessful, the company be ordered to consider a repayment programme for the outstanding amounts in order not to cause her major financial disruption.
- She further requests that the company apologise to her as its defence implies that she is a 'liar', and because of the distress that this situation has caused her.
- Finally, the customer notes that the company had previously stated that it would replace her water meter, but that she has heard nothing further about this. She would like the company to confirm that this has been dealt with.

The company's response is as follows:

- The company acknowledges that it has made mistakes in the way it has billed and refunded the customer, but it submits that it has already given the customer credit of a significant sum in recognition of these mistakes and argues that it should not be required to waive any further amount of the customer's bill.
- The company submits that it billed the customer based on readings from the correct water meter from the opening of her account in March 2011 until 9 August 2013, and all bills were satisfactorily paid. However, on 18 February 2014, it received a meter reading which was significantly in excess of the previous readings. It sent the customer a bill for £2,673.00 together with a "High Consumption" letter on 30 September 2014. It submits that it did not receive a response from the customer until she telephoned the company on 3 November 2015 to query the level of her bills.
- The company initially maintained that the large bill was payable. However, because her consumption appeared to have returned to normal levels, the company subsequently agreed that as a gesture of goodwill, it would adjust the bill to remove the charges from the unexplained high usage period. It therefore applied an allowance of £2,557.04 to the customer's account. This resulted in her account being in credit, so the sum of £241.78 was refunded to her bank account.
- The company's meter reader then provided meter readings on 17 August 2016, 9 February 2017, 17 August 2017 and 21 February 2018 which were significantly lower than the previous readings. The company believed that these were mis-readings, so it billed the customer on an estimated basis for this period.

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- On 26 July 2018, the company was informed that the customer had contacted CCWater with concerns about her bills, which she considered were still very high. The company arranged for a technician to visit on 21 August 2018. The technician confirmed which meter was attached to the customer's property, and as a result, the company realised that from 18 February 2014, it had associated the wrong meter with the customer's property. This was the reason for what appeared to be a spike in consumption between 9 August 2013 (the reading from the correct meter) and 18 February 2014 (the reading from the wrong meter). This also explains the lower meter readings that were obtained from 17 August 2016, as from that date, the meter reader went back to once again to reading the correct meter.
- Because of the error, the company's Complaints Case Manager (CCM) took the decision to cancel all meter readings on the customer's account. As a result, on 3 September 2018, the sum of £5,503.52 was refunded to the customer. The company submits that this payment was made in error, because (1) the CCM did not take into account that the customer should be rebilled for her actual consumption from 2011 to date and (2) the CCM did not take into account the fact that the company had already applied a credit to the account of £2,557.04 as set out above.
- The company notes that the net result of this refund, if no rebilling for historical consumption takes place, would be that the customer would have received water and sewerage services for free from 2011 to February 2019, and would receive an additional windfall payment of £2,557.04. This is because since the customer's account was set up on 12 March 2011, the customer has made payments to the company of a total of £3,188.26 but has received refunds payments of £241.78 plus £5,503.52, meaning that the customer had received a net amount of £2,557.04 from the company.
- The company states that it received no further contact from the customer until it rebilled the customer in March 2019. In March 2019, it issued two bills, one on 14 March 2019 for the sum of £1,310.33 and another on 25 March 2019 for the sum of £688.75. It explains that these invoices were intended to rebill the customer for her actual usage from 12 March 2011, and that it needed to issue two invoices because its system cannot bill for more than 6 years at a time.
- On 25 March 2019, the customer telephoned the company to complain about these bills, arguing that because the error in the refund had been the fault of the company, she should not be required to repay the money. The company carried out a review of the customer's account and as a result, agreed to make a goodwill gesture in the amount of £250, but also advised the customer that it would be adding the overpayment of £2,557.04 described above to her bill.

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- The company subsequently, as a further gesture of goodwill, agreed to waive the repayment of the overpayment of £2,557.04. It argues that together with the previous goodwill gesture of £250, it has been "more than generous" and that it should therefore not be required to waive the further amount of £1,748.08 as requested by the customer, particularly as the customer should have known that she was not entitled to a waiver that would result in her receiving a refund of an amount that is greater than the total she had paid to the company, on top of not paying for services over the 8 years she had lived at her property. The company denies that it told the customer that she would not be charged for services she had received prior to February 2019.
- The company states that it sincerely regrets the mistakes it has made with regard to the customer's meter readings and adjustments to her account. However, it does not consider that it would be fair to its other customers to grant the customer any further allowance.
- It also disputes that the conduct of its CCM was rude or otherwise unsatisfactory as claimed by the customer.

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?

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1. Both the customer and the company agree that, on 3 September 2018, the customer received a repayment from the company in the amount of £5,503.52. The question is whether the customer should be required to repay a part of this amount, given that the company argues that it made the repayment in error. The company argues that the customer should remain liable to repay the amount that relates to her actual consumption from 2011 to date, less a goodwill payment, which comes to a total of £1,748.08. The customer argues that she should not be required to repay any amount, because of the errors made by the company in billing and refunding her. She also contends that she has already spent the refunded monies on home repairs, and that the repayment would cause her financial hardship.
2. In reaching my decision, I have taken into account the fact that the company acknowledges that it has been responsible for serious and longstanding errors in the way it has managed the customer's account.
3. In particular, for a period between 18 February 2014 and 9 February 2016, it billed the customer on the basis of meter readings from the wrong meter, reading a meter that was connected to a neighbour's property rather than the one connected to the customer's property. When the customer contacted it regarding what seemed to be an unexplained spike in her water usage, the company granted her a credit on her account to compensate for the spike in usage, but did not discover the error.
4. The company also did not discover the error when, on 17 August 2016, 9 February 2017, 17 August 2017 and 21 February 2018, the company's meter reader reported readings which were consistent with each other and lower than the reading of 18 February 2018. Instead of investigating, the company on each occasion simply billed the customer on the basis of an estimated reading, assuming that there had been a mis-reading. I do not consider that this assumption was reasonable. While the company argues that the customer was entitled to query the estimated readings and did not do so, I do not consider that this discharges the company of its responsibility to bill the customer accurately. I consider that an average person would reasonably expect that in these circumstances, the company would investigate further and discover and correct its mistake. I accordingly find that there was a service failure on the part of the company.
5. In the event, the error was detected when the customer contacted CCWater in July 2018. This prompted the company to investigate, and it sent a technician to the customer's property on 21

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August 2018. This enabled it to correct its records regarding which meter was attached to the customer's property.

6. Following this investigation, the company then decided to issue the customer with a refund of £5,503.52, which was paid into the customer's bank account. However, the company acknowledges that in doing so, it did not take into account that the customer should be rebilled for her actual consumption from 2011 to date and also did not take into account the fact that the company had already applied a credit to the account of £2,557.04.
 7. In March 2019, the company then rebilled the customer for her actual consumption since her account had been opened in 2011, on the basis of its readings from the correct meter. It subsequently told the customer that it would also claim repayment of the overpaid amount of £2,557.04, although it granted the customer a goodwill payment of £250. It later agreed to waive the overpayment.
 8. I find that the company did not explain the calculation of the refund to the customer, and that this was a service failure on its part. I also find that there was a service failure on the part of the company when it issued a refund without deducting the customer's actual consumption, and without clearly explaining to the customer that it would later rebill the customer for her actual consumption.
 9. However, I do not accept that this means that the customer should be entitled to keep the full amount of the refund, even given the fact she has changed her position by spending the refund on home improvements. As explained by the company, the effect of a refund of £5,503.52 was that the customer would make no payments for water and sewerage from March 2011 to February 2019, and would in addition receive a windfall payment of £2,557.04. I do not consider that the customer could reasonably have expected that the company would make such a large goodwill gesture to her, despite the service failures described above. I therefore consider that when the customer decided to spend the refund on home improvements, she did so at her own risk.
 10. I accordingly conclude that the customer remains liable to pay the amount of £1,748.08 that the company has billed her. In reaching this conclusion, I take into account the fact that, as set out above, the service provided by the company to the customer has been unsatisfactory in a number of respects, and this has caused the customer a considerable amount of inconvenience and distress. However, I do not consider that it would be appropriate to award the customer
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more than the sum of £2,557.04 + £250 which the company has already credited to her account to reflect these service failures.

11. The customer has also asked the company to issue her with a formal apology. However, the company, in its defence, has already acknowledged that it has made mistakes in the customer's meter readings and the adjustments applied to her account, and has stated that it sincerely regrets these errors. Contrary to the customer's suggestion, I do not think that the company is implying that the customer is a liar; rather, it seems that there is a disagreement about exactly what was said by the customer and the company during a telephone call to discuss the refund. I therefore do not consider that a further apology is required.
12. The customer also asks for an order that the company consider a repayment programme for the outstanding amount in order not to cause her major financial disruption. Given that the company's service failures have led to a situation where the customer is in effect required to pay for several years of water usage at once, I consider that this request is justified.
13. I also note that the company's statement, in its defence, that "*we do have a robust debt recovery process in place which may involve debt collection agencies to obtain the overdue amounts on our behalf, but we also share information with credit reference agencies which can lead to negative credit marks and defaults being levied against customer's credit files*" appears entirely out of place at this stage, given that the customer has challenged the company's billing in good faith and following a history of service failures.
14. I accordingly order that, if the customer accepts this decision, the company should discuss with the customer and put in place a reasonable payment plan for the amount of £1,748.08 outstanding on the customer's account in respect of her historical consumption.
15. Finally, the customer asks for an order regarding the company's undertaking, in its letter to CCWater of 23 April 2019, to install a new water meter to ensure that similar errors are not made in the future. The company stated that "*By fitting a new meter, it will both be easier to distinguish Ms[]'s meter from her neighbours to prevent further instances of misreads in the future, as well as enabling us to take reads wirelessly directly from her meter*". The company said that it would request for this to take place by 8 May 2019, but the customer has not heard anything further in this regard.

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16. It is a matter of concern that the company, in its Defence, still does not appear to be clear about the identification number of the meter attached to the customer's property. In the "summary" section it states that "*the meter serial number for her property is 09[] 81*", whereas in the "chain of events" section it states that "*the meter serial number for Flat 3 was confirmed as 09[] 82 on 4 March 2009 and reconfirmed on 22 May 2009*", and in "steps taken to resolve the case" it states that it has "*confirmed meter serial number 09[] 82 is the correct meter for this flat*".

17. I consider that this situation could well lead to confusion and further errors in future. I therefore find that the customer's request that the company honour its undertaking to replace her meter is justified. If the customer accepts this decision, I order that the company must, within 20 working days of this decision, confirm to the customer what steps it has put in place for replacing the meter. It must then carry out the replacement as soon as reasonably possible.

Outcome

If the customer accepts this decision, the company must, within 20 working days of receipt of the acceptance (1) discuss with the customer and put in place a reasonable payment plan for the amount of £1,748.08 outstanding on the customer's account in respect of her historical consumption, and (2) confirm to the customer what steps it has put in place for replacing the meter. It must then carry out the replacement as soon as reasonably possible.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by [•] September 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.
- 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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Natasha Peter (Barrister, FCI Arb)

Adjudicator

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