

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1481

Date of Decision: 31 July 2019

Complaint

The customer objects to the mandatory inclusion of a social tariff on her bill. She requests that the social tariff be optional, and that she be reimbursed the amounts she has been charged for this tariff since it was introduced.

Defence

The company states that the social tariff was introduced in accordance with legislation and that its scheme, including the inability to opt out, was approved by Ofwat.

No offer of settlement was made.

Findings

The company has provided its services to the customer to the standard to be reasonably expected by the average person.

Outcome

The company does not need to take any further action.

The customer must reply by 28 August 2019 to accept or reject this decision.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /1481

Date of Decision: 31 July 2019

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- The company includes a £2.00 social tariff on her bill.
- Payment of this amount has been imposed on her without her consent.
- She requests that the social tariff be optional, and that she be reimbursed the amounts she has been charged for this tariff since it was introduced.

The company's response is that:

- The social tariff was introduced in response to government guidelines requiring water companies to assist customers facing severe financial difficulty and needing additional support with their bills.
- The company is empowered to introduce such a charge under Section 44 of the Flood and Water Management Act of 2010.
- Further guidance on the introduction of measures of this type was provided by the Department for the Environment, Food and Rural Affairs (DEFRA), requiring that companies gain "broad support" of their customers for the measures, that they consult with the Consumer Council for Water (CCWater), and that the charge be included in the Scheme of Water Charges approved by the Water Services Regulation Authority (OFWAT).
- The company's scheme was developed in accordance with these obligations.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

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. As a regulated water retailer, the company is required to bill its customers in accordance with a published charges scheme. This scheme must adhere to rules adopted by Ofwat, the Water Services Regulation Authority, the designated regulator in this sector.
2. The consequence of this is that, as specified in Rule 3.5 of the Water Redress Scheme Rules, a WATRS adjudicator does not have the authority to evaluate the fairness or correctness of a company's charges scheme, as this responsibility has been statutorily allocated to Ofwat.
3. Instead, with respect to the type of claim brought by the customer, a WATRS adjudicator may only examine whether the company has properly adhered to its published charges scheme and has fulfilled its customer service obligations to the customer.
4. In the present case, the company has satisfactorily established that the social tariff scheme objected to by the customer was developed in accordance with legal requirements and was included in its charges scheme.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

5. As a result, there is no basis on which I can order the company to alter or eliminate this scheme. If the customer objects to the mandatory nature of the scheme, then she must raise this complaint directly with Ofwat, which alone has the power to require the company to make the change she requests.
6. As I have found that the company cannot be ordered to eliminate the social tariff, I also cannot require the company to reimburse to the customer the social tariff payments that she has made. While the customer objects to the fact that she has no choice whether or not to make these payments, as she also lacks the ability to choose her water company, this lack of choice is a consequence of the regulated nature of the water industry, reflecting a judgement that provision of water services will be handled more fairly and effectively if undertaken through the supervision of Ofwat than through standard market competition.
7. I also acknowledge that when the customer contacted the company to question the inclusion of the social tariff in her bill, the company responded fully and transparently in its first response, explaining the process through which the social tariff was developed and directing the customer to the legislative foundation of the scheme. The company also expressly addressed the customer's concern about her inability to opt out of the scheme, noting that this approach had been approved by Ofwat.
8. I also find, therefore, that the company fulfilled its customer service obligations to the customer.
9. Consequently, for the reasons given above, I find that the company has provided its services to the customer to the standard to be reasonably expected by the average person, and the customer's claim does not succeed.

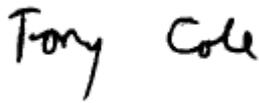
Outcome

The company does not need to take any further action.

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
 - The customer must reply by 28 August 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.
-



Tony Cole, FCI Arb

Adjudicator

This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.