

WATRS

Independent Oversight Panel

ANNUAL REPORT
1 April 2020 - 31 March 2021

FOREWORD by Daksha Piparia, Chair of Panel

- ▶ The Water Redress Scheme (WATRS) is 6 years old and continues to provide increased consumer protection for water customers in England and Wales. To date the scheme has made 1527 decisions on unresolved complaints since the scheme began in 2015.
- ▶ The scheme is free of charge for household and non household customers, and once accepted by the customer, adjudication decisions made by the scheme, are binding on the company. The scheme is an alternative to lengthy and costly court action.
- ▶ The new contract with the provider is now in place and the provider has implemented a new case management system (CMS) in September 2020. The CMS allows customers and companies to track activities on their case and submit documents and evidence in a secure way in real time, and has the potential to make improvements in responsiveness and interaction with consumers.
- ▶ Following panel recommendations, a preliminary decision stage was trialled from October 2020 to March 2021. Early findings indicate that whilst there was no significant changes to decisions or customer feedback, the stage was positively received as an appropriate, fair and equitable means to provide a 'right to reply' and mirrored ADR schemes in other sectors. The panel will continue to monitor the feedback with a view to making further recommendations regarding the stage.

- ▶ There has been a marked drop in the number of cases in 2019/2020 compared to the previous year. This could be due to the COVID19 public health crisis, more support has available from companies for people financial hardship. It could also be that households and business have had more urgent and pressing priorities during the crisis and have been without the time and resources to either make a complaint or proceed through to the scheme.
- ▶ We are pleased to see that the clarity of decision continues to improve, noting that the language and tone are more accessible. We also note that added value of the CCW stage, providing a valuable opportunity to support customers to clearly set out their case, along the additional support provided in making applications to the WATRS scheme.
- ▶ There has also been an increase in Median award (£300 up from £287) and increase in actions required 44% compared to 37% in the previous period.
- ▶ It is noted that the same three companies receive the highest number of decisions this year compared to last year, excluding Wave who left the scheme in Oct 2019. Billing and charging continues to be the highest complaint subject.

THE PANEL'S WORK

The Panel was created to ensure the independence and effectiveness of the voluntary alternative dispute resolution (ADR) scheme set up by the water industry for its customers. Our current membership is listed in the final slide.

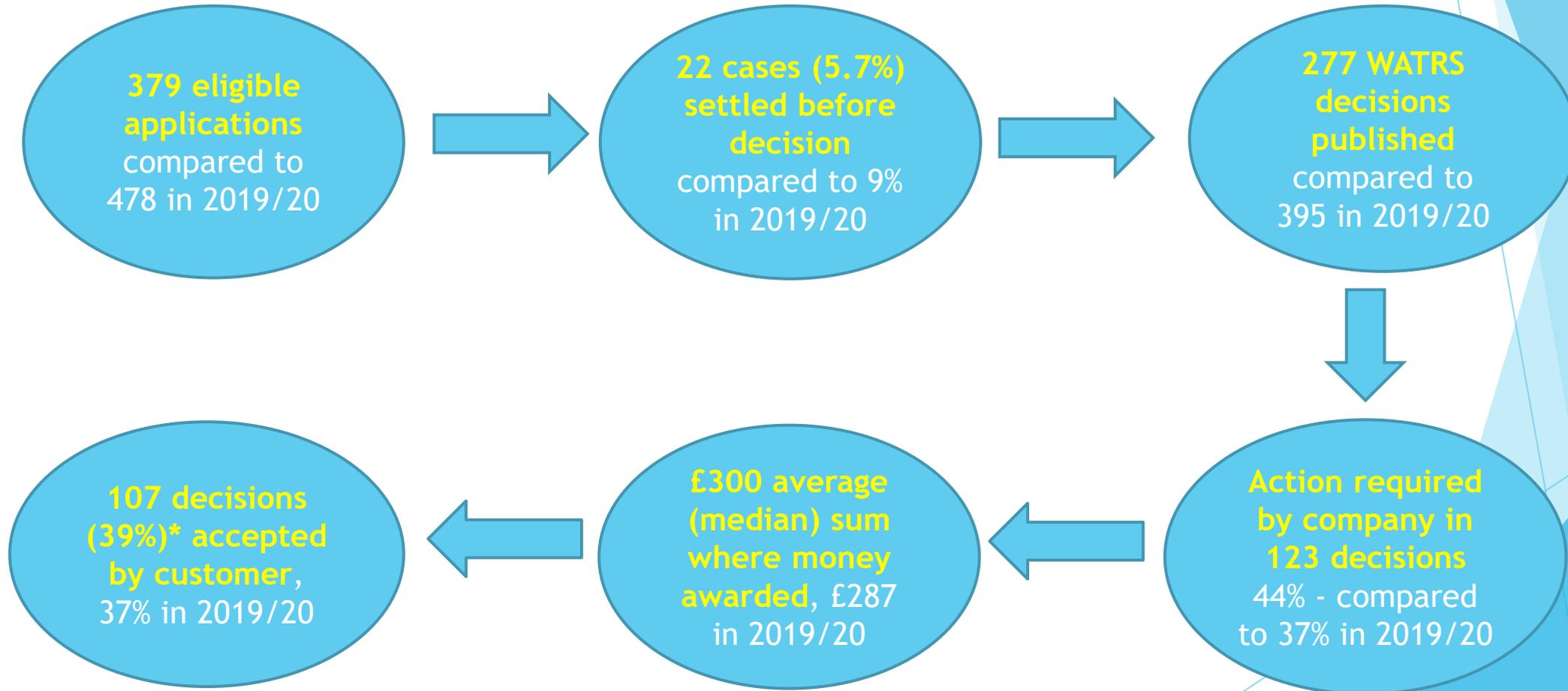
We meet approximately once a quarter. For each meeting we have access to statistical data from CEDR and the latest decisions (with names removed)*. From time to time we see the results (numerical and free text) of the WATRS user satisfaction survey conducted by CEDR. This information enables us to raise concerns and recommend improved processes.

The Panel publishes an annual statistical report. We also undertake end to end case reviews. In 2021, 4 case reviews were selected where there was a significant disparity between the redress requested and the amount awarded and/or the company was required to provide some form of remedial action. The decisions in all 4 cases were clear, well set out and fair.

Our attention in the coming period will be focused in making the scheme as accessible as possible to consumers who may struggle due to additional barriers and challenges. (We are concerned that without adequate demographic and profile data about individuals who access the WATRS scheme we are unable to identify any gaps in provision and understand why certain groups may be underrepresented.)

* WATRS is one of the most transparent ADR schemes open to consumers. The Panel's Minutes are published - <https://www.resolvingwaterdisputes.org.uk/adr-panel/> and all decisions (anonymised) are available at <https://www.cedr.com/consumer/watrs/adjudicators-decisions/>

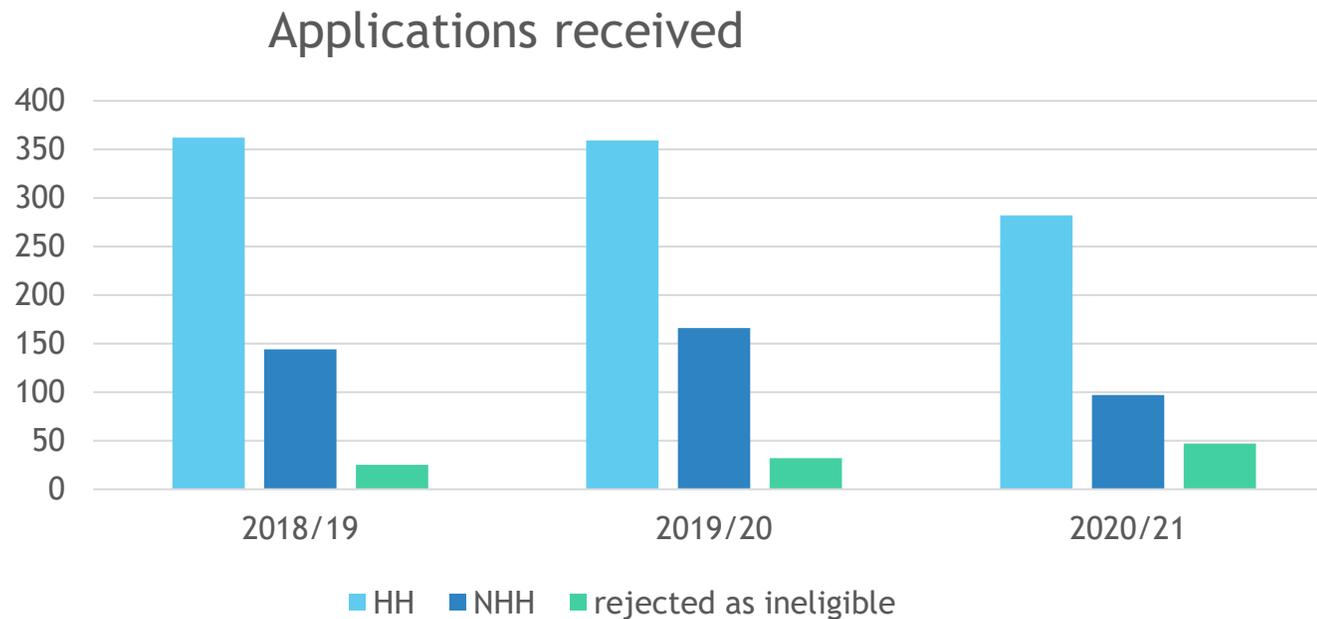
OVERVIEW OF NUMBERS 2020-2021: household & non-household combined



*But 76% of *Action Required* decisions were accepted by the customer

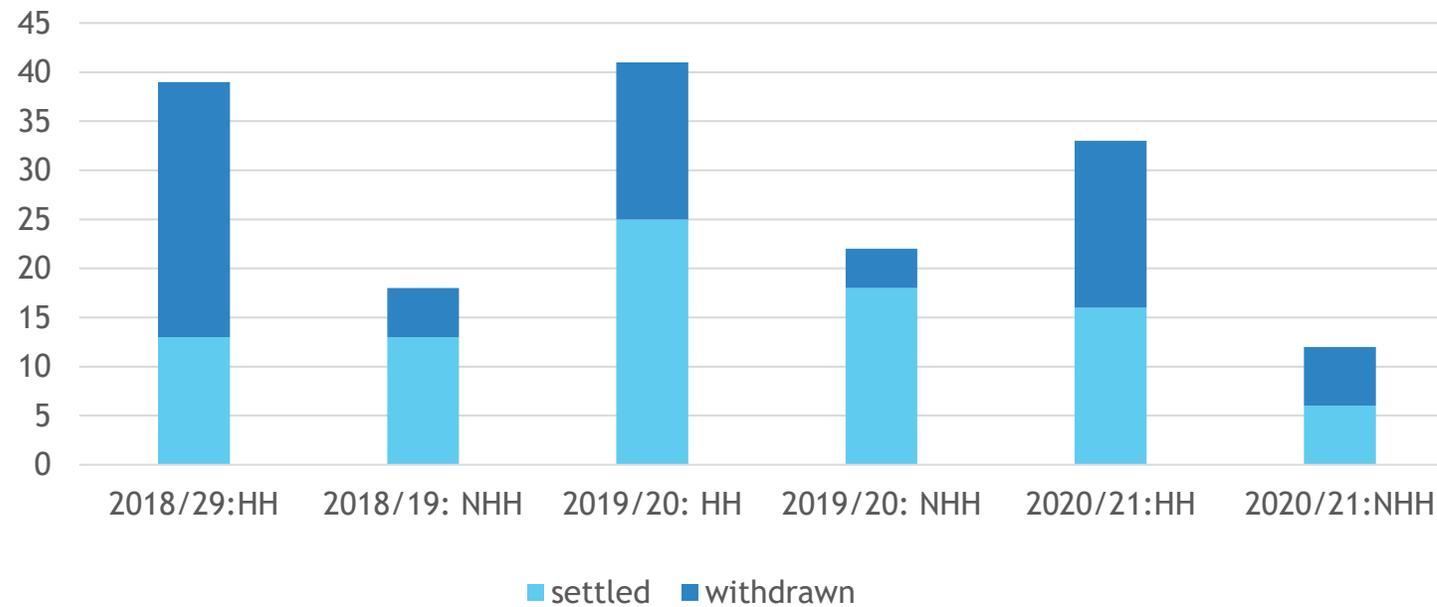
Changes from 2019-20 to 2020-21

- The overall no. of eligible applications to WATRS decreased by 21%
- The percentage of customers accepting actions-required decisions remained relatively stable.
- There was a decrease from 23 to 13 in compensation payments over £1000.



Applications settled or withdrawn 2018-19 to 20-21

Applications settled or withdrawn



WATRS in context:

WATRS is the final stage in the complaints process for water customers. Most complaints do not reach WATRS.

	2017 - 18		2018 - 19		2019 - 20		2020-21	
Written complaints to companies: HH	69,324		74,689		84,649		*	
	17% decrease from 2016-17		7.7% increase from 2017-18		7% decrease from 2018-18			
Written complaints to NHH companies:	14,885		17,918		14,363		*	
	27% increase from 2016-17		20.4% increase from 2017-18		20% decrease from 2018-19			
Complaints to CCW	9595	HH:6815 NHH: 2780	11,212	HH: 7237 NHH: 3975	10,188	HH: 6752 NHH: 3436	*	
	HH: 14% decrease from 2015-16 NHH: 337% increase from 2015-16		HH: 6 % increase from 2017-18 NHH: 43% increase from 2017-18		HH: 7% decrease from 2018-19 NHH: 14% decrease from 2018-19			
Decisions by WATRS	202	HH: 165 NHH: 37	399	HH: 285 NHH: 114	395	HH: 281 NHH: 114	277	HH:190 NHH: 87
	19% increase from 2016-17		98% increase from 2017-18		30% decrease			

Sources:

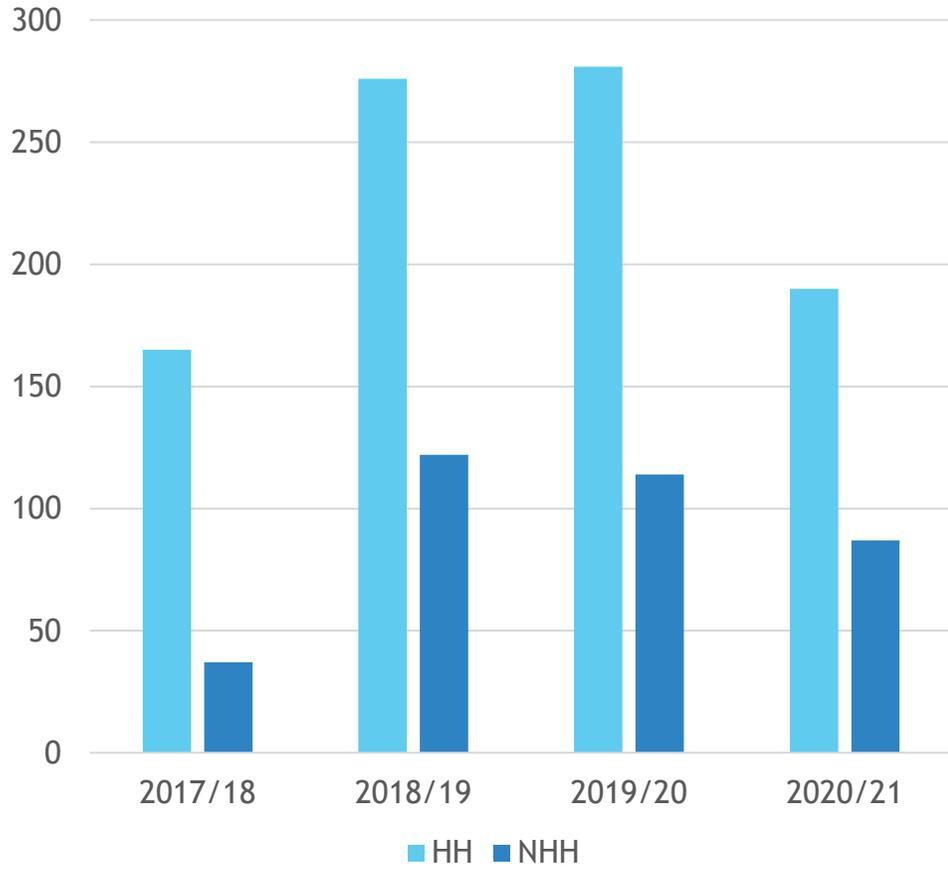
<https://www.ccwater.org.uk/wp-content/uploads/2020/09/Review-of-water-companies-complaint-handling-2019-20.pdf>

<https://www.ccwater.org.uk/wp-content/uploads/2020/07/Non-household-water-customer-complaints-2019-20.pdf>

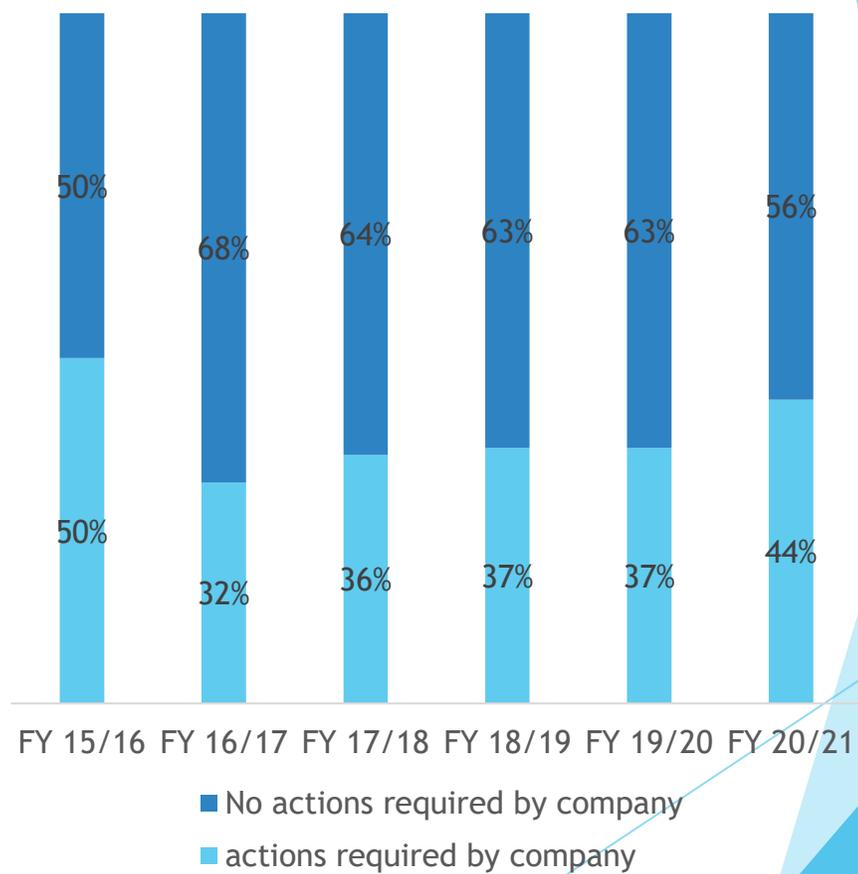
* Not yet available

Decisions

Decisions issued

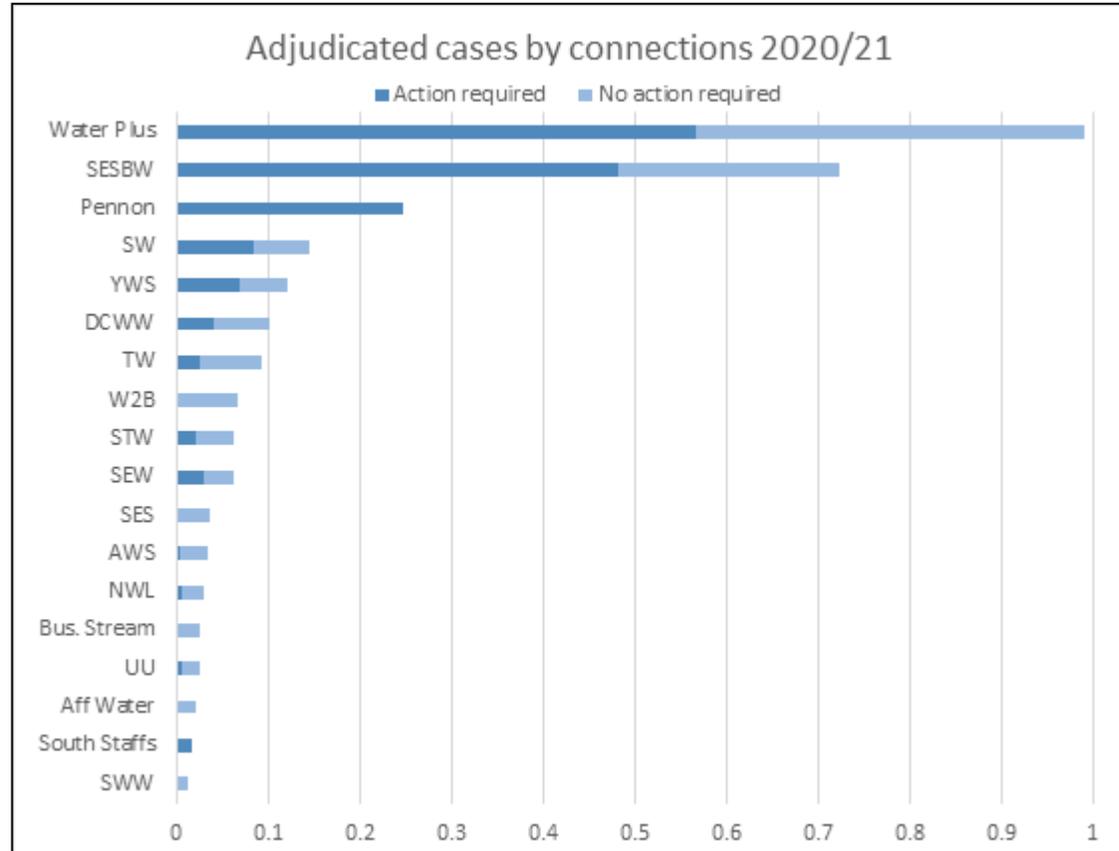


Decision outcomes



Decisions by company* 2020-21

The number of WATRS decisions by company is fewer than 1 per 10,000 customers.

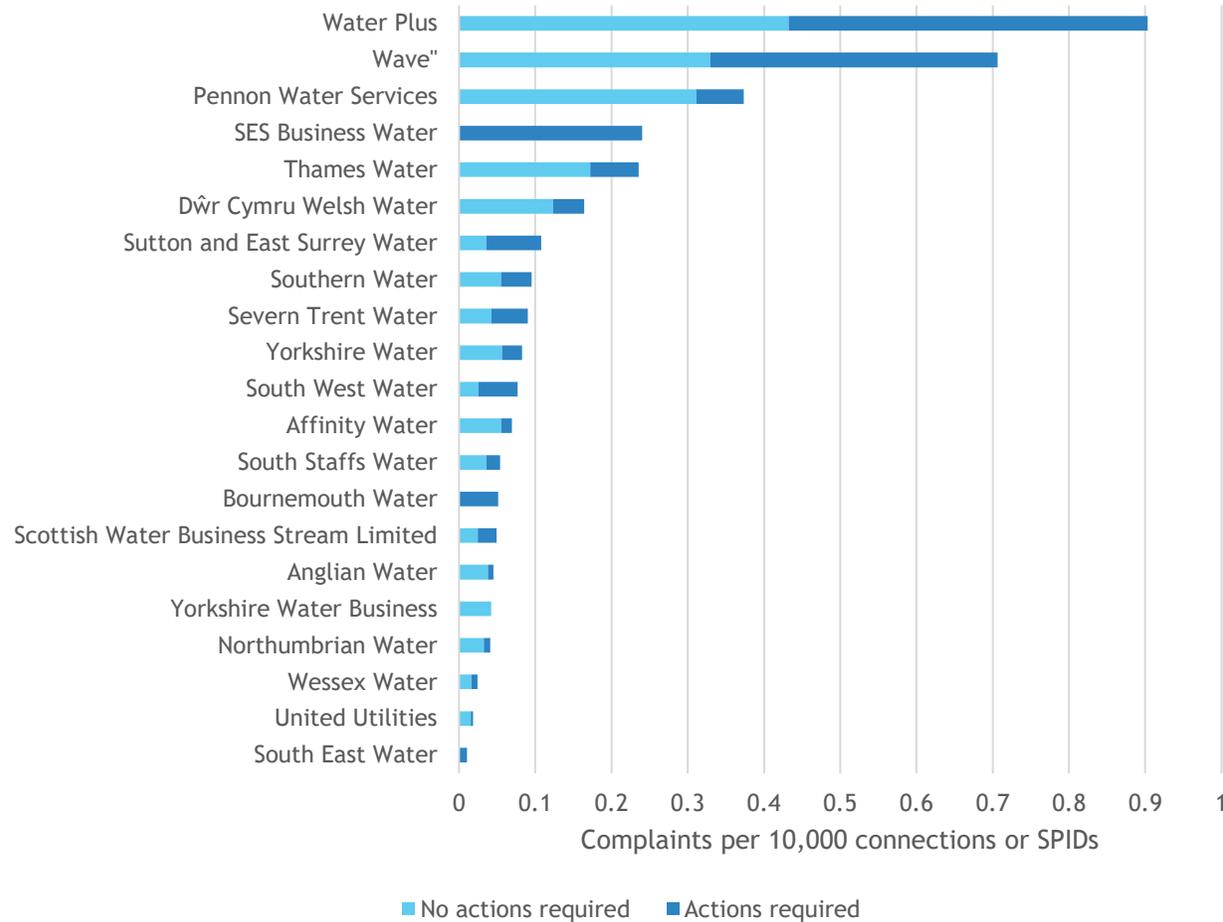


*per 10,000 connections for wholesalers 10,000 SPIDs (supply point identification numbers) for NHH retailers (retail companies for non-households). Data provided by CCW.

Leep Utilities not included on chart as SPIDs for business customers not known

Decisions by company* 2019-20** review

The number of WATRS decisions by company is fewer than 1 per 10,000 customers.



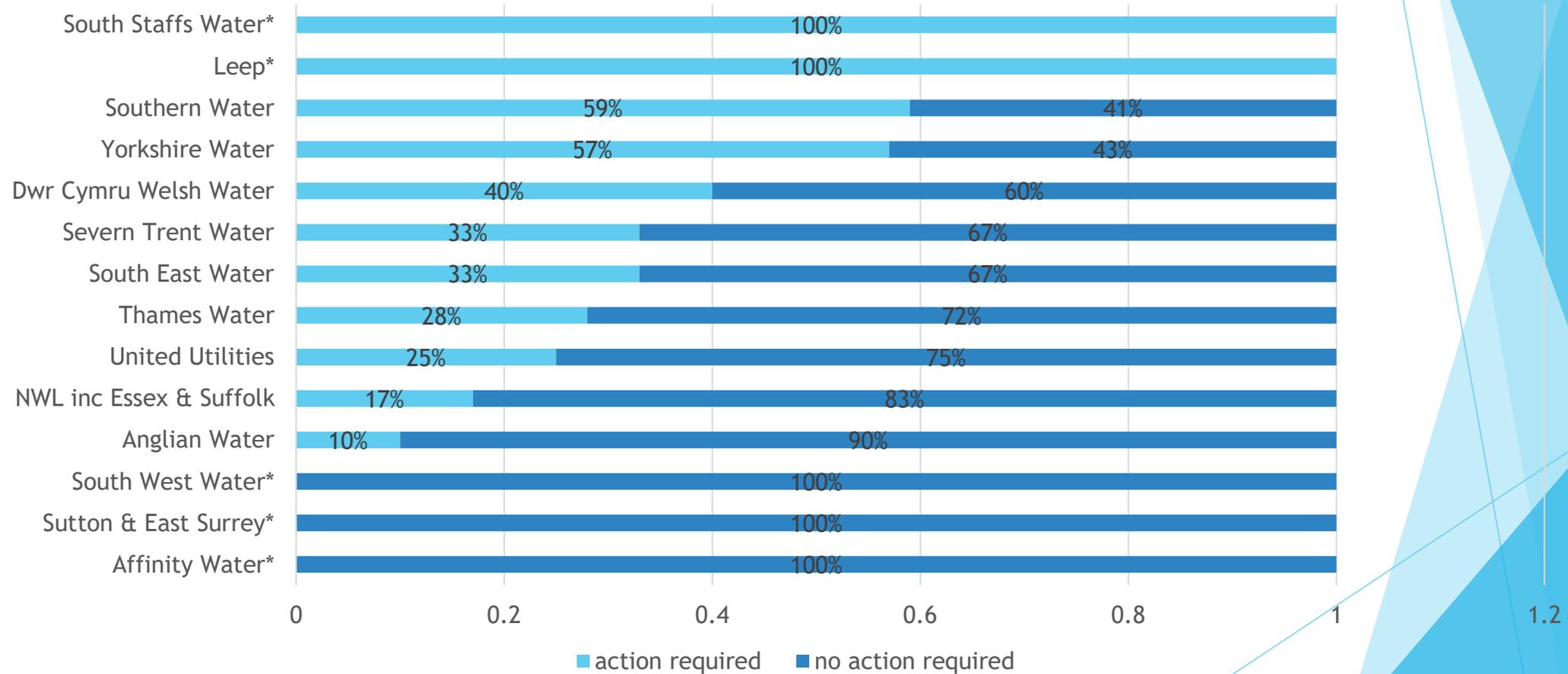
*per 10,000 connections for wholesalers and per 10,000 SPIDs (supply point identification numbers) for NHH retailers (retail companies for non-households)

** table updated from 2019/20 Annual Review.

“ Wave left WATRS Oct 2019

Outcome by company - Household 2020/21

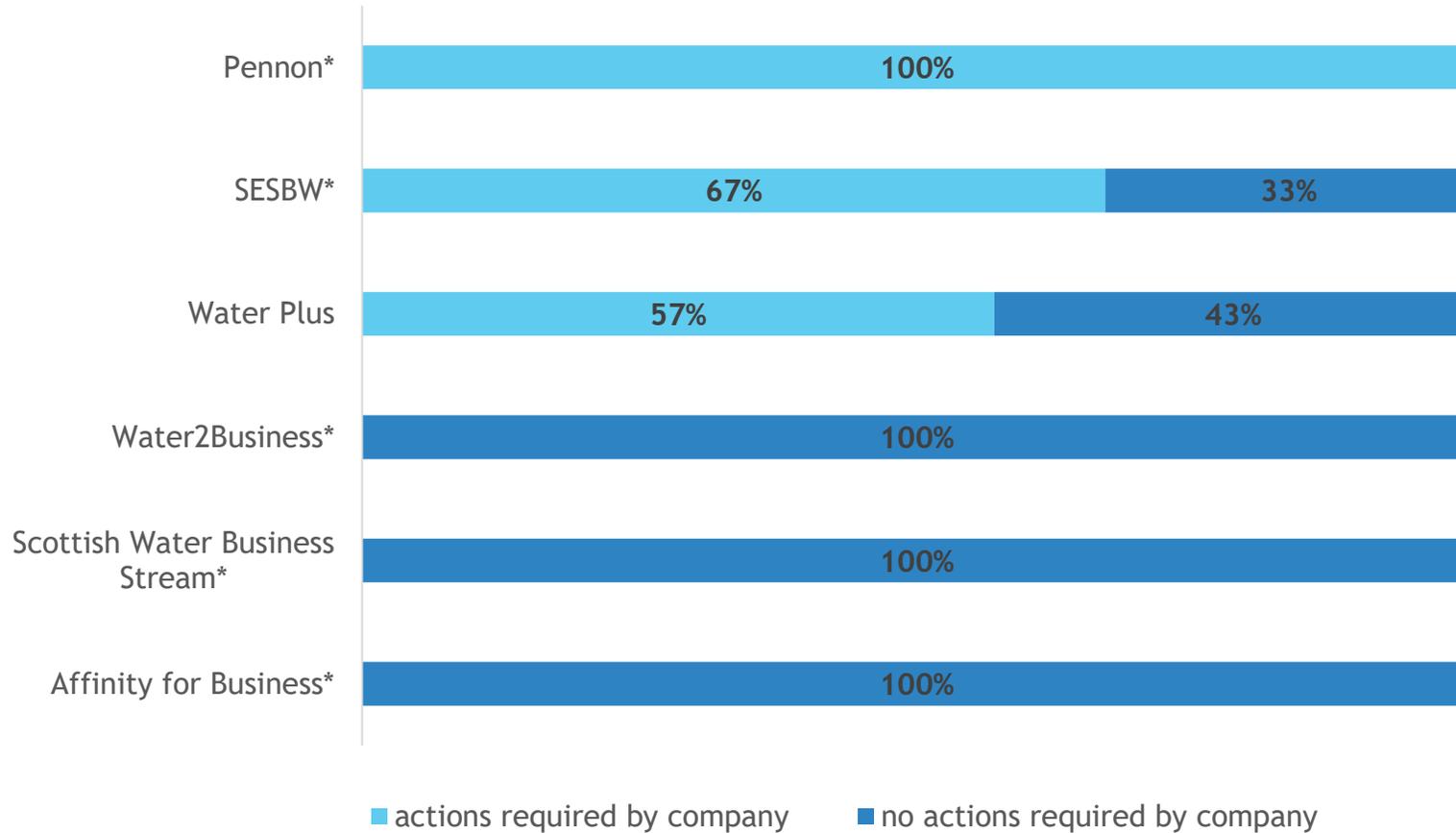
Action required/no action required split



*4 decisions or fewer

Outcome by company - NHH retailers

Action/no action split

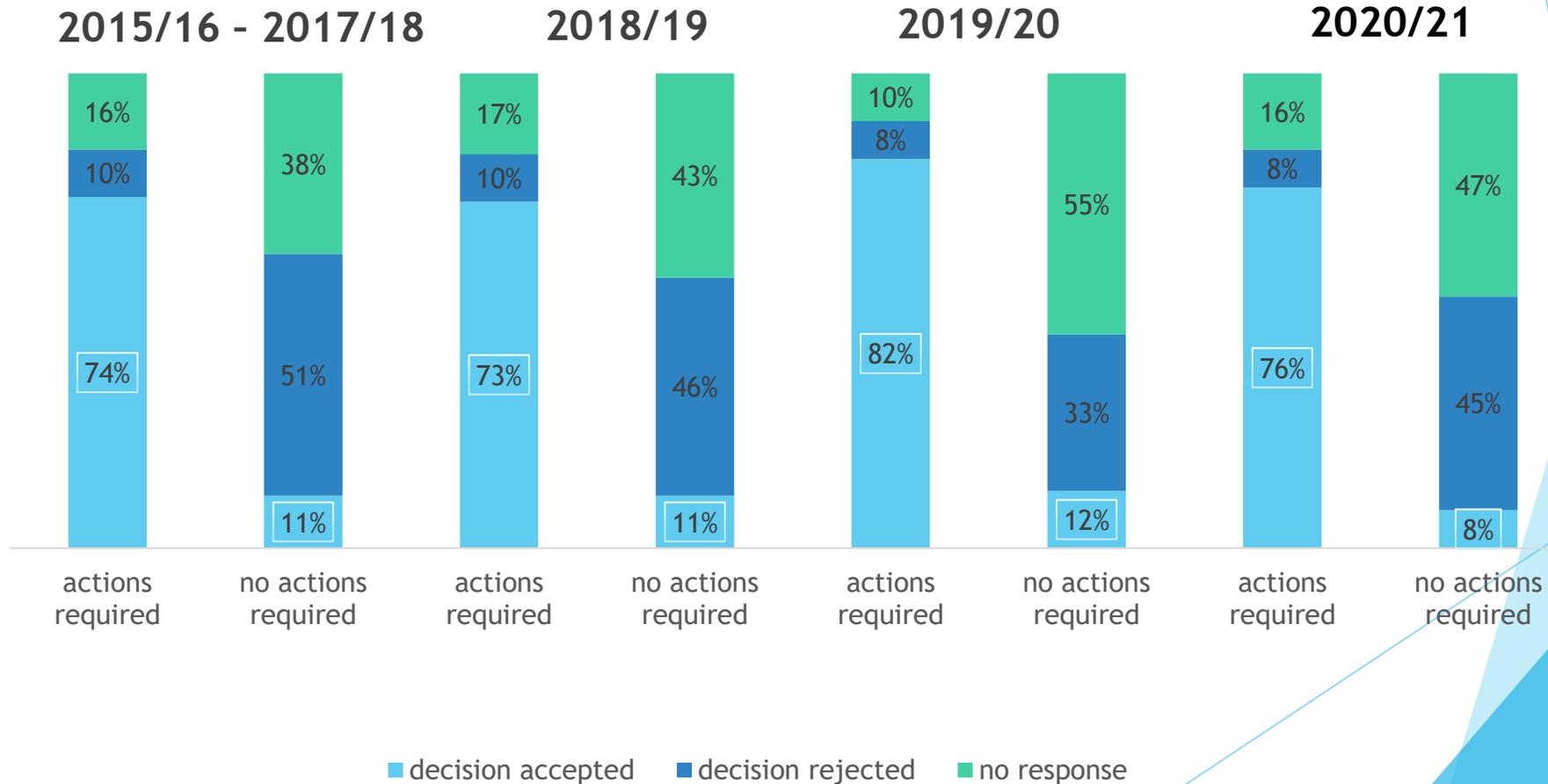


Note: part year only - Affinity for Business left WATRS in November 2020

*4 decisions or fewer

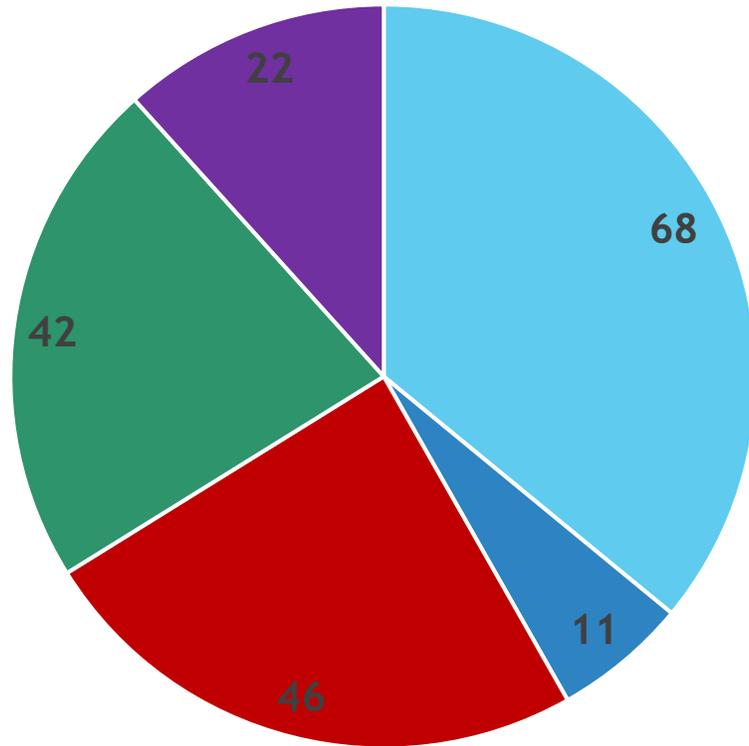
Customer response to decisions

If the customer accepts the decision, it is binding on the company

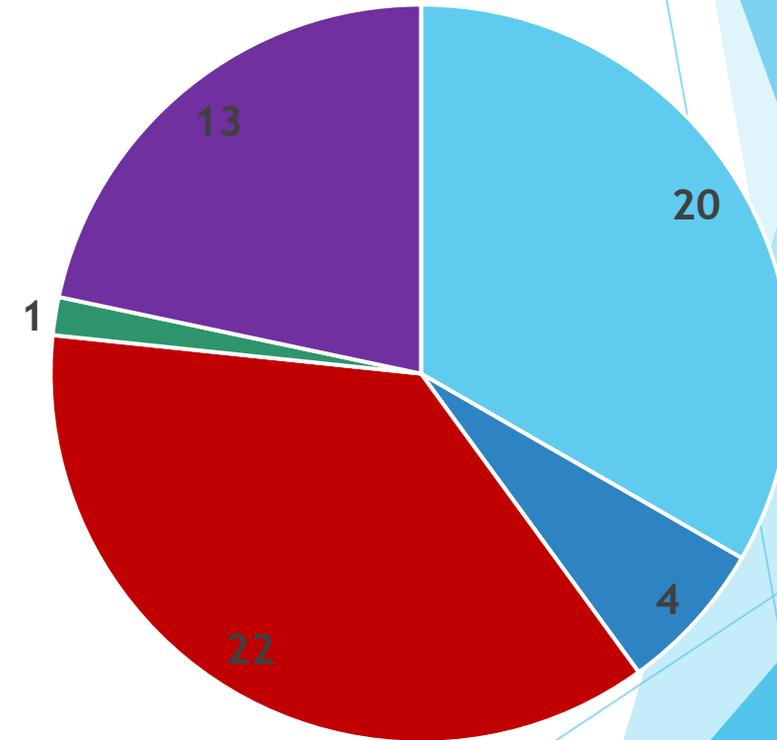


OVERVIEW BY SUBJECT: Household

Decisions issued



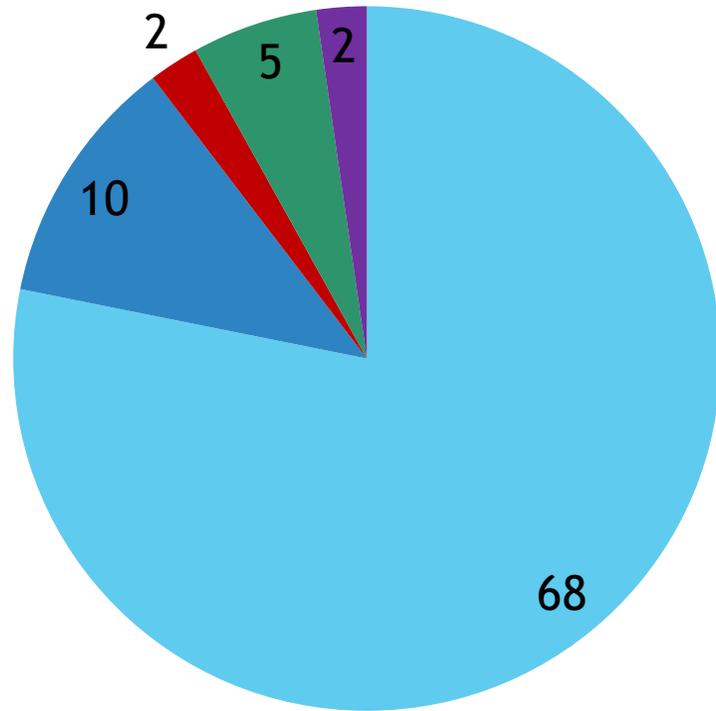
Decisions where actions required



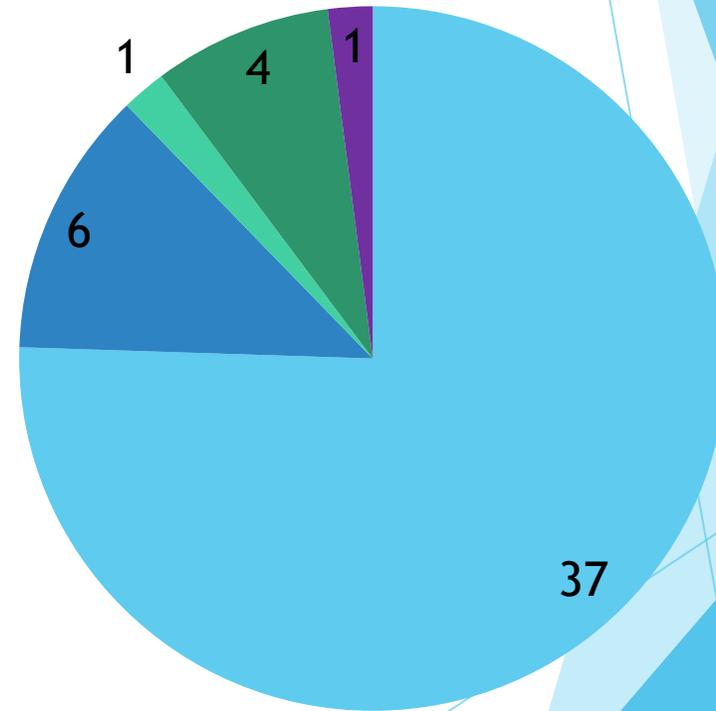
- billing & charging
- metering
- sewerage
- water
- admin/other

OVERVIEW BY SUBJECT : Non-Household

Decisions issued



Decisions where actions required



- billing & charging
- metering
- sewerage
- water
- other

MORE ABOUT REDRESS IN 2020-21

- 123 decisions where action required by company (74 for households and 49 for non-households)
 - **51 monetary*** award only
 - **50 monetary award plus other action**
 - **22 non-monetary only**
- 13 monetary awards £1000 or above (9 households and 4 non-households in comparison to 16 households and 7 non-households in 2019-20)
- £300 average (median) sum for monetary awards (£300 for households and £350 for non-households).
- Total monetary awards £75,827 (£52,931 for households and £22,896 for non-households).

* 'monetary' excludes decisions where amount of award not known as company directed to calculate correct refund or rebate

DISTRESS & INCONVENIENCE AWARDS

- 62 decisions included awards for distress and inconvenience (44 for households, 18 for non-households).
- Almost half of all cases where the company was told to take action to put things right for the customer involved a payment for distress and inconvenience.
- Total of £28,340 had to be paid for Distress and Inconvenience (£20,365 for households and £7,975 for non-households).

Case studies: why these?

The 4 case studies that follow are taken from decisions published during 2020/21. A total of 277 decisions were published during this financial year. All decisions are published (anonymized) on the WATRS website (<https://www.cedr.com/consumer/watrs/decisions/>)

The case studies are a sample of the decisions issued. The decisions are a representative overview of the type of issues that come to WATRS. The decisions cover a broad range of companies (both household and non-household) and individual adjudicators.

Case study – sewer flooding

What happened? April 2019 the customer's property suffered internal and external sewer flooding. The company provided compensation for actual damage caused. However as the property had been flooded on several occasions over a period of 30 years the customer was worried that it would happen again and had asked the company to include the sewer on an annual maintenance regime. The company initially said that there were no defects and that the flooding was due to a blockage caused by sewer misuse but a private survey paid for by the customer showed that there was a blockage caused by a root ball. The company cleared the roots, and **after CCW intervention**, provided GSS payments in respect of late communications and refunded the cost of the sewer survey to the customer. The company confirmed that the sewer would be cleansed and surveyed on a 6 monthly basis.

Compensation: the customer wanted the company to make a gesture of goodwill in respect of the poor customer service it had provided and give an undertaking that it would cleanse and survey the sewer every 12 months. WATRS accepted that the sewer had been put on a 6 monthly cleansing and surveying regime and that accordingly there was no need for a formal undertaking. WATRS decided that the company had failed to provide its customer services to the expected standard but accepted that the company had provided the correct level of compensation for the flooding event (GSS payments, refunded cost of survey and compensation for damage caused).

No further action was required by the company.

Case study – billing: surface water

What happened? A business customer rented a unit in a multi-occupancy building. The customer was concerned firstly about the band his unit was in for surface water and highway drainage and secondly that, in any event, it was not clear how charges were calculated or apportioned between the various ‘occupiers’.

Compensation: The customer wanted his billing to be put on hold, for the surface water charges to be calculated on Band 1 instead of Band 2, for the retailer to demonstrate what steps it had taken to resolve customer service issues and compensation of £2500 for the inconvenience he had been caused. The company accepted that there had been some delays in responding to the customer and had offered £100 as a goodwill payment but said that the wholesaler was responsible for amending banding. The company had properly raised the issue of banding with the wholesaler who had declined to amend and had forwarded the wholesaler’s explanation as to how the charges had been calculated to the customer.

As the wholesaler and the retailer were separate entities WATRS’ remit is restricted to considering the level of customer service the company had provided.

WATRS accepted that the company had failed to properly address the queries the customer had raised, delayed in responding to the customer and the wholesaler and had sent threatening debt letters at a time when it had agreed to put the customer’s account on hold. WATRS did not consider the £100 already credited to the customer’s account to be sufficient and awarded a further £250 compensation for the inconvenience the customer had suffered (Tier 2 Compensation Guidance). The company was also told that it should, if asked to by the customer, go back to the wholesaler to obtain further clarification about how the charge was calculated and provide the customer with the relevant form to dispute the connectivity of the site.

Case summary - billing

What happened? The customer bought the Property (ground floor shop and two flats above the shop) in 2017 but it remained unoccupied until March 2019 when 2 tenants moved into the flats. In October 2019 the customer received a bill for 1 March 2019 – 22 August 2019 for £1818 which he disputed. In November 2019 he received another bill for a further £668 for the period 22 August – 1 November 2019. A leakage test undertaken by his plumber showed that the Property was not on a joint supply, there were no leaks but the meter continued to record even when the main supply was turned off. The customer contacted the company again and arranged for an engineer to check the meter. The company's engineer attended, confirmed that the meter was faulty and installed a new meter. The company said that meter accuracy tests showed that the meter had in fact been under-recording and re-issued a bill for £20,067 (including £17,264 of charges based on the results of the accuracy test received by the company). Meter readings taken from the new meter from December 2019 (when the new meter was installed) to July 2020 showed a ADU of 0.60m³: the ADU based on meter readings from the original meter were in the region of 383m³.

Compensation: The customer requested that his bill for the period 1 March – 12 December 2019 be re-calculated on the basis on the ADU since the date of the meter exchange. WATRS acknowledged that the evidence was extremely conflicting but found that:

- there was no evidence of a leak or a joint supply;
- the meter exchanged in December 2019 had been faulty;
- recorded consumption had fallen dramatically since the new meter was installed (the company had not commented on why the consumption could have fallen). The adjudicator did not accept that it was credible that 2 individuals would have used 383m³/day particularly when recorded consumption then dropped to 0.60m³;
- the meter accuracy tests did show that the meter was capable of under-recording but other evidence showed that it was also capable (and did) record when the supply was isolated indicating that it was also capable of over recording

WATRS decided that the fairest solution was for the company to recalculate the customer's bill for March – December 2019 based on an ADU of 0.60m³.

Case study - billing

What happened? The issue between the customer and the company related to whether the company had treated the customer fairly. During 2018 the customer had a payment plan which she struggled to and ultimately was unable to meet. In February 2019 the company accepted that the customer was eligible to a discount of 20% on its 'Essential tariff' on the basis that her bill represented between 3-10% of her income. The customer mistakenly thought that she did not have to pay the arrears then outstanding or make any payment on the tariff and made no further payments. The customer was being supported by a charity at this time and whilst the company sent an explanation of how the new tariff worked and what payments the customer was responsible for to the charity, it did not send a clear explanation to the customer. The company sent the customer an annual bill in March 2019 but there were no further written communications to the customer until March 2020 by which time the customer's bill had risen to £660.

In April 2020 the bill was queried on the customer's behalf but the company failed to respond. The company then received notification that the customer had left the property, sent an amended bill to the customer insisting on payment in full and started debt collection procedures.

Compensation: the customer wanted the company to waive the bill and to stop debt collection activities whilst the dispute was being considered by WATRS. The company accepted that it should have identified sooner that the customer was in financial difficulties and been proactive in offering financial assistance. It had applied a credit of £100 as a goodwill gesture to the customer's account. WATRS decided that the company had failed to

- clearly communicate with the customer regarding the level of discount she was entitled to
- reply to the customer's representative in April 2020
- communicate effectively with the customer between March 2019 and April 2020

Taking these failures into account it was reasonable for the company to credit the customer's account with a further £100 but it was not reasonable for the bill to be waived in its entirety. The company was required to set up a payment plan of £1 per week for the customer.

The Panel: who are we?

Regulatory

- **Claire Forbes**
Senior Director Corporate Communications, Ofwat
- **Emma Clancy**
Chief Executive, CCW

Independent

- **Daksha Piparia (Chair)**
Director Piparia Consulting, formerly Head of Campaigns Coventry Citizens Advice
- **Susan Bradford**
Health Regulation specialist
- **Claire Whyley**
Consumer research & policy specialist

Company

- **Louise Beardmore**
Customer Services Director, United Utilities plc
- **Anton Gazzard**
Head of Community Operations, Affinity Water