

WATRS

Independent Oversight Panel

ANNUAL REPORT
1 April 2021 - 31 March 2022

FOREWORD by Daksha Piparia, Chair of Panel

- ▶ The Water Redress Scheme (WATRS) is 7 years old and continues to provide increased consumer protection for water customers in England and Wales. Since the scheme began in 2015, 1868 decisions have been made on unresolved complaints.
- ▶ The scheme is free of charge for household and non household customers, and once accepted by the customer, adjudication decisions are binding on the company. The scheme is an alternative to lengthy and costly court action. The process takes 35 days from the date of application to the final decision.
- ▶ Preliminary decisions(PD) are now part of standard process, The contract formally changed following trial to have 2 fee rates at beginning of July 2021. 262 decisions have been issued between 01/07/21 – 31/03/22: comments on PD have been received in 194 cases = @74% - providing companies and customers the opportunity to reply before a final decision is issued.
- ▶ The work on the accessibility of the scheme and the usability of CMS and website is ongoing. It remains a priority for the scheme to be accessible as possible to consumers who may struggle due to additional challenges or barriers.

- ▶ The number of decisions for non household complaints has fallen with Water Plus and a number of small retailers having left the scheme. According to CCW reports Water Plus received the largest number of NHH complaints. The feedback from WAVE upon leaving the scheme (2020) was the time each complaint took to provide a response and the cost of being a member.
- ▶ The scheme continues to receive cases where NHH are unable to resolve their issues with wholesalers, as these fall outside the scheme rules, NHH remain disadvantaged and incapable of obtaining a resolution.
- ▶ In contrast to a slight decrease in written complaints to companies and CCW, the number of overall decisions has increased compared to the previous financial year. Outcomes for consumers whilst showing a slight shift in the balance towards no action required by companies at 73% compared to last year at 56%, it is comparable with the 70% seen in in previous periods. The highest categories remain billing and charging, metering and sewerage.
- ▶ There has been a marked decrease in Median award for Distress and Inconvenience (£200 down from £300).
- ▶ It is noted that the same three companies receive the highest number of decisions this year compared to last year.

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.

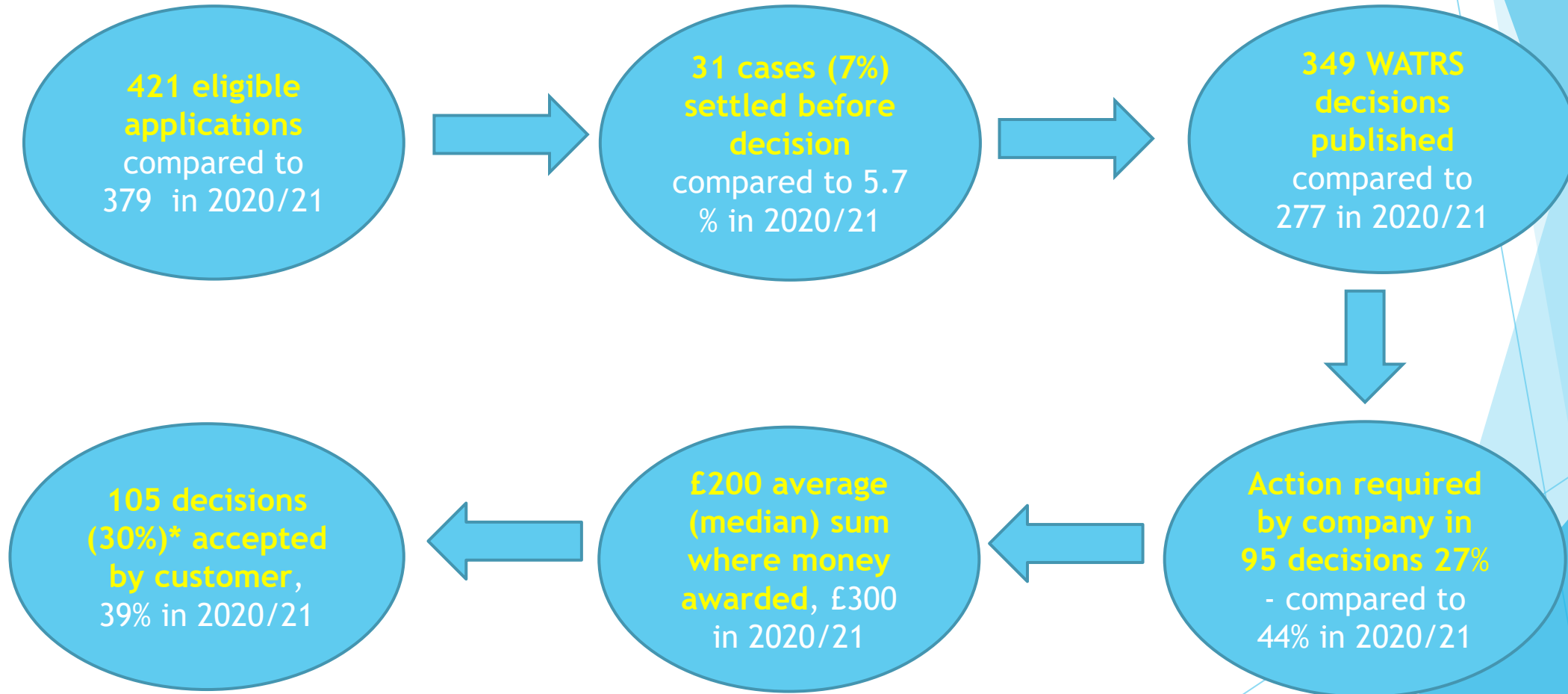
We meet approximately once a quarter. For each meeting we have access to statistical data from CEDR and the latest decisions (with names removed)*. From time to time we see the results (numerical and free text) of the WATRS user satisfaction survey conducted by CEDR. This information enables us to raise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

The Panel publishes an annual statistical report. We also undertake in depth end to end case reviews. In 2022, following feedback from companies and CCW the panel added an additional step to jointly review our draft findings to correct factual inaccuracies, clarify processes and provide additional evidence which was not previously available. 4 cases were selected at random, 3 HH and 1 NHH.

This year, the panel will continue to support CCW on the work currently being undertaken to improve the future landscape of complaints in the Water sector.

* 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 (anonysised) are available at <https://www.cedr.com/consumer/watrs/adjudicators-decisions/>

OVERVIEW OF NUMBERS 2021-2022: household & non-household combined

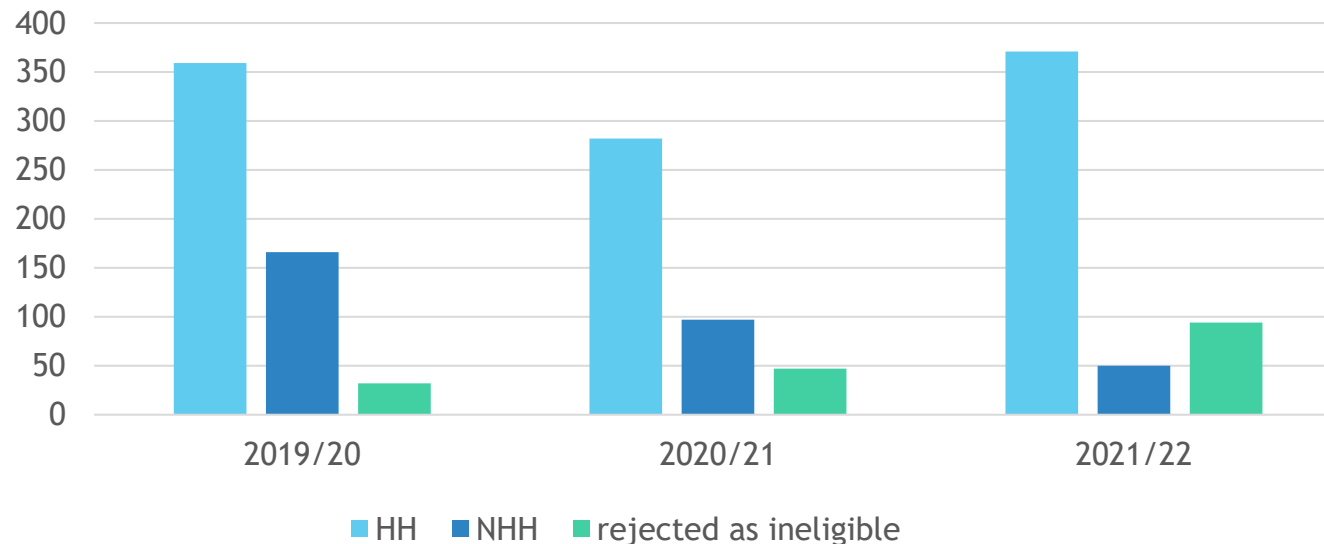


*But 68% of *Action Required* decisions were accepted by the customer

Changes from 2020-21 to 2021-22

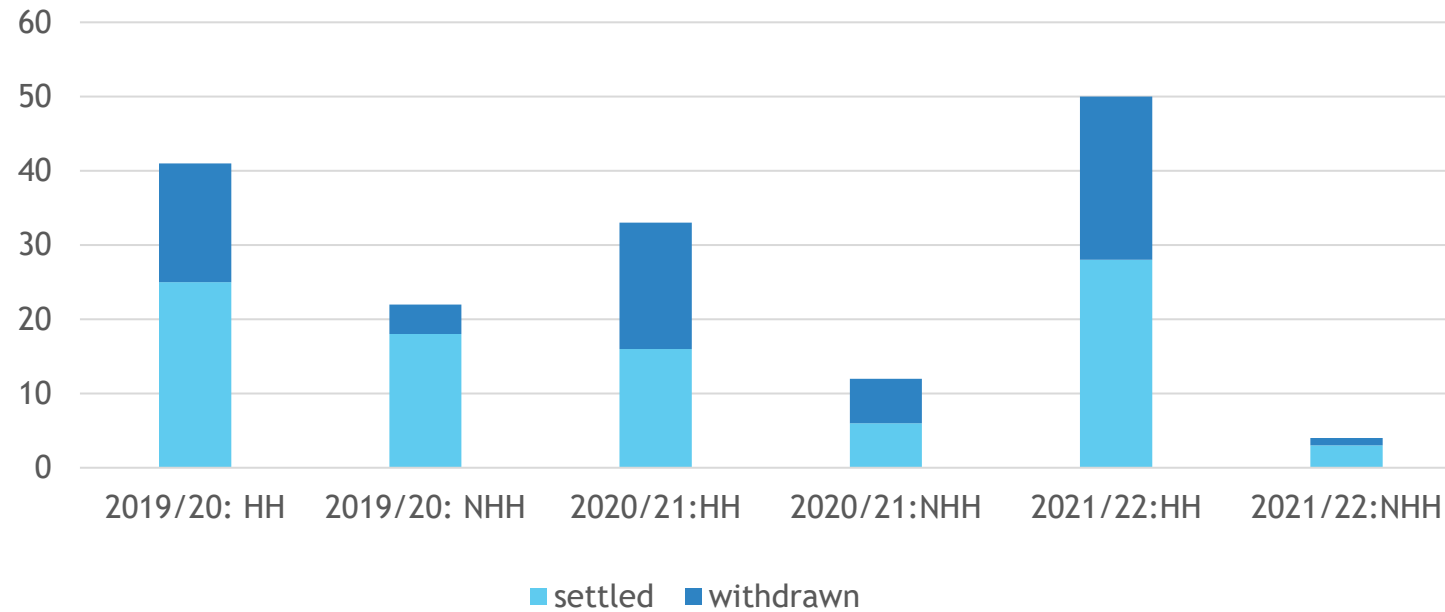
- The overall number of eligible applications to WATRS increased by around 11%
- The percentage of customers accepting actions-required decisions has decreased slightly and the number of customers accepting decisions where actions were required has also decreased. There was a slight decrease from 13 to 11 in compensation payments over £1000.

Applications received



Applications settled or withdrawn 2018-19 to 21-22

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.

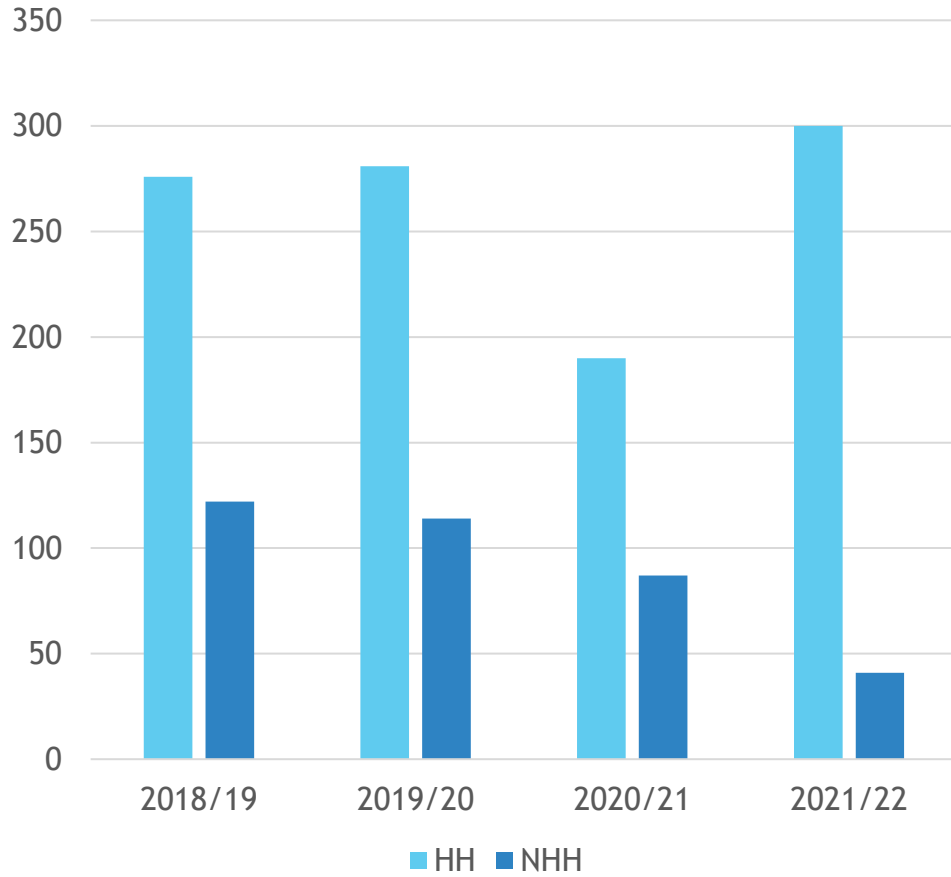
	2018 - 19		2019 - 20		2020-21		2021-22	
Written complaints to companies: HH	74,689		84,649		93,758		93,668	
	7.7% increase from 2017-18		7% decrease from 2018-19		11% increase 2019-20		1% decrease from 2020-21	
Written complaints to NHH companies:	17,918		14,363		15,102		14,751	
	20.4% increase from 2017-18		20% decrease from 2018-19		5% increase from 2019-20		2% decrease from 2020-21	
Complaints to CCW	11,212	HH:7237 NHH: 3975	10,188	HH: 6752 NHH: 3436	9924	HH: 7076 NHH:2848	8428	HH:6128 NHH: 2295
	HH: 6 % increase from 2017-18 NHH: 43% increase from 2017-18		HH: 7% decrease from 2018-19 NHH: 14% decrease from 2018-19		HH: 5% increase from 2019-20 NHH: 17% decrease from 2019-20		HH:13% decrease NHH: 19% decrease	
Decisions by WATRS	399	HH: 285 NHH: 114	395	HH:286 NHH:113	277	HH: 190 NHH: 87	349	HH:307 NHH:42
	98% increase from 2017-18 202 decisions in 2017-18							

Sources:

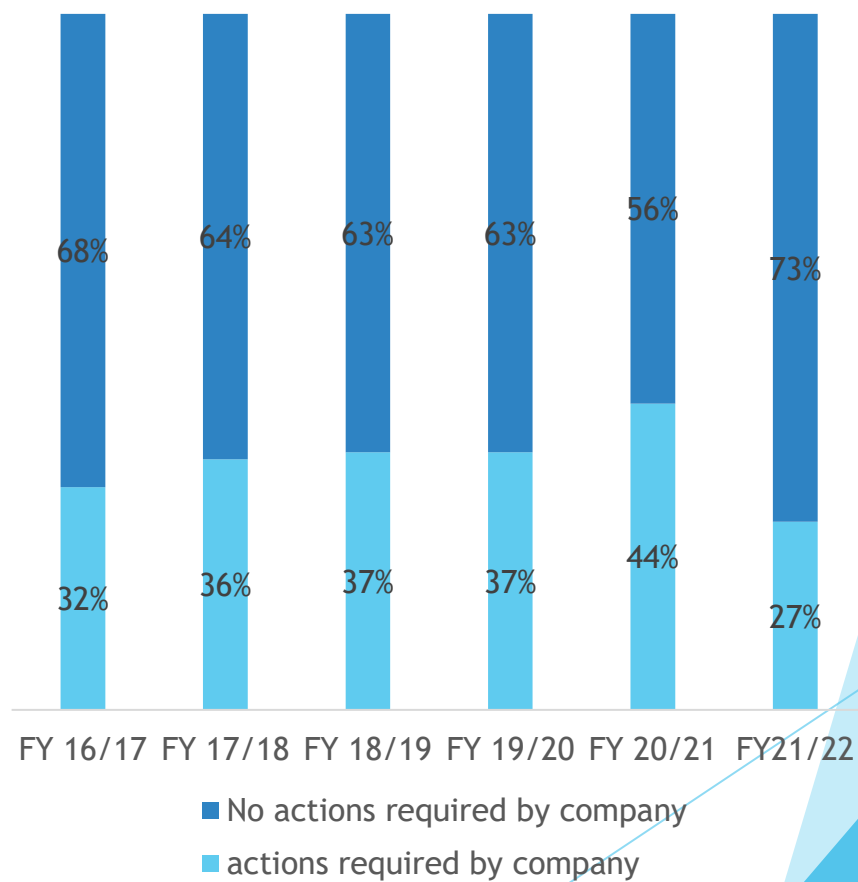
- <https://www.ccwater.org.uk/wp-content/uploads/2020/09/Review-of-water-companies-complaint-handling-2019-20.pdf>
- <https://www.ccwater.org.uk/wp-content/uploads/2020/07/Non-household-water-customer-complaints-2019-20.pdf>
- <https://discoverwater.co.uk/complaints>
- <https://www.ccwater.org.uk/wp-content/uploads/2021/10/Household-complaints-report-2021.pdf>
- <https://www.ccwater.org.uk/wp-content/uploads/2021/08/Business-customer-complaints-2020-21.pdf>
- <https://www.ccwater.org.uk/wp-content/uploads/2022/09/Household-complaints-report-2022.pdf>
- <https://www.ccwater.org.uk/research/business-customer-complaints-2021-22/>

Decisions

Decisions issued

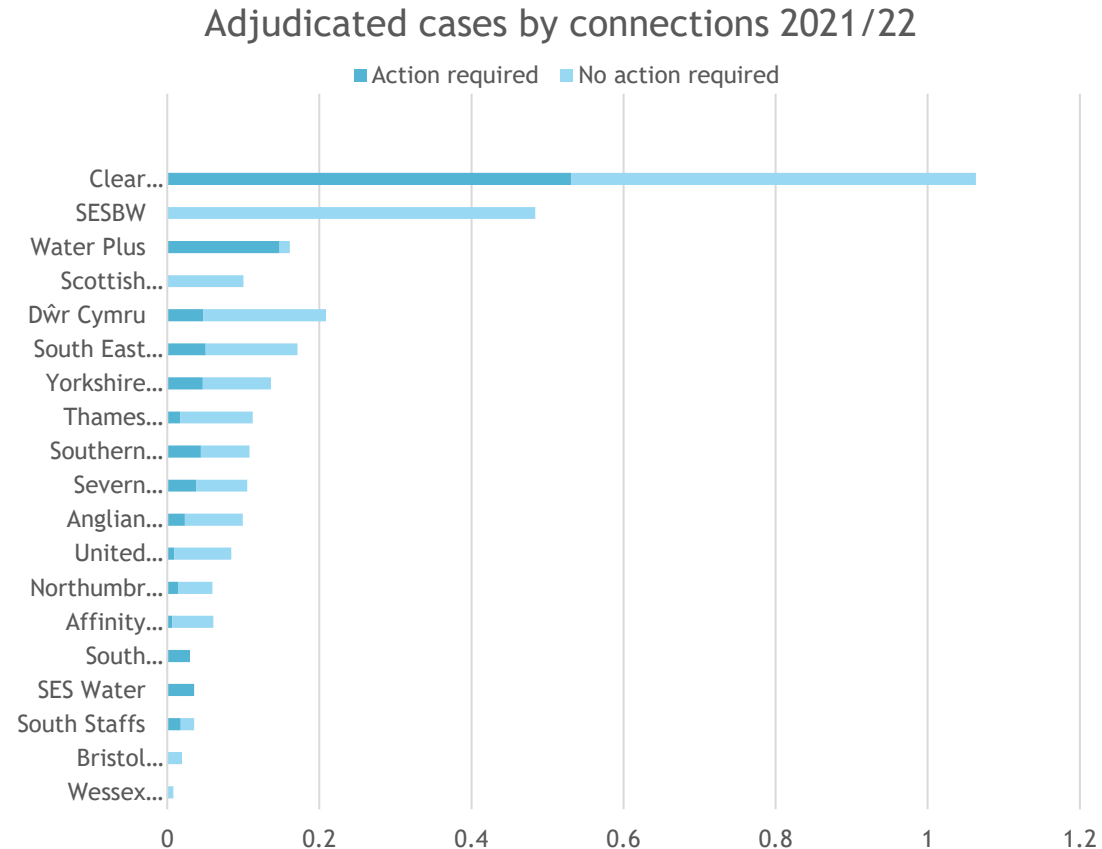


Decision outcomes



Decisions by company* 2021-22

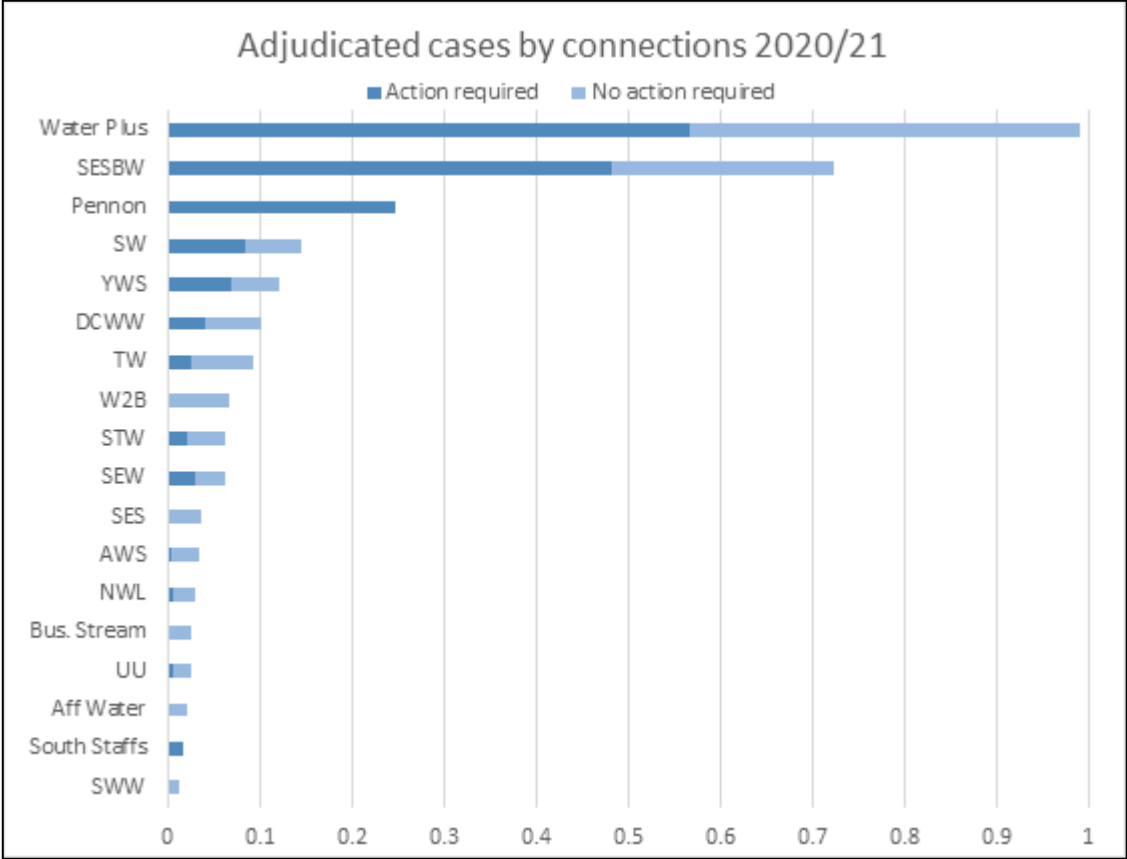
With one exception, the number of WATRS decisions by company is fewer than 1 per 10,000 customers.



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

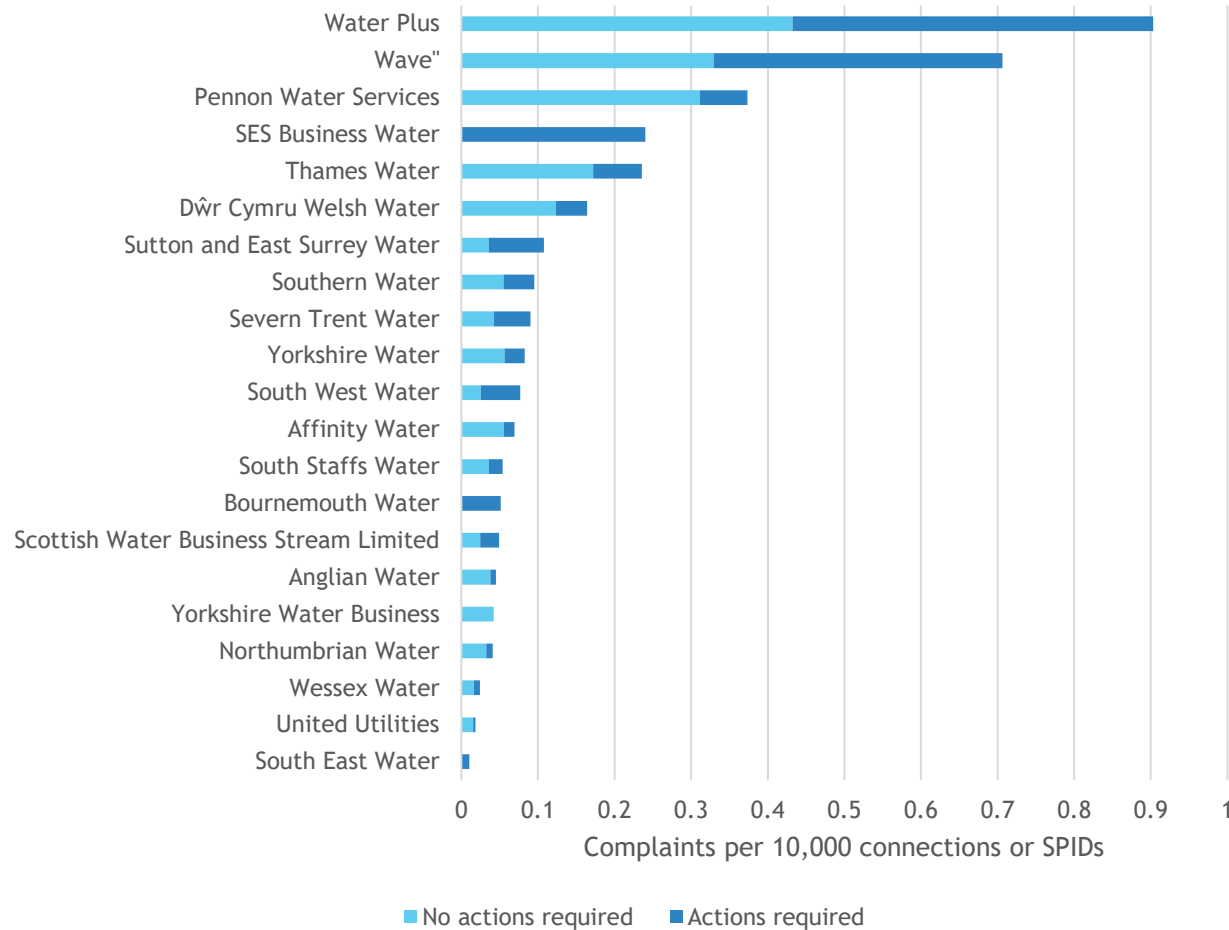
Water Plus left WATRS in October 2021

Decisions by company* 2020-21



*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



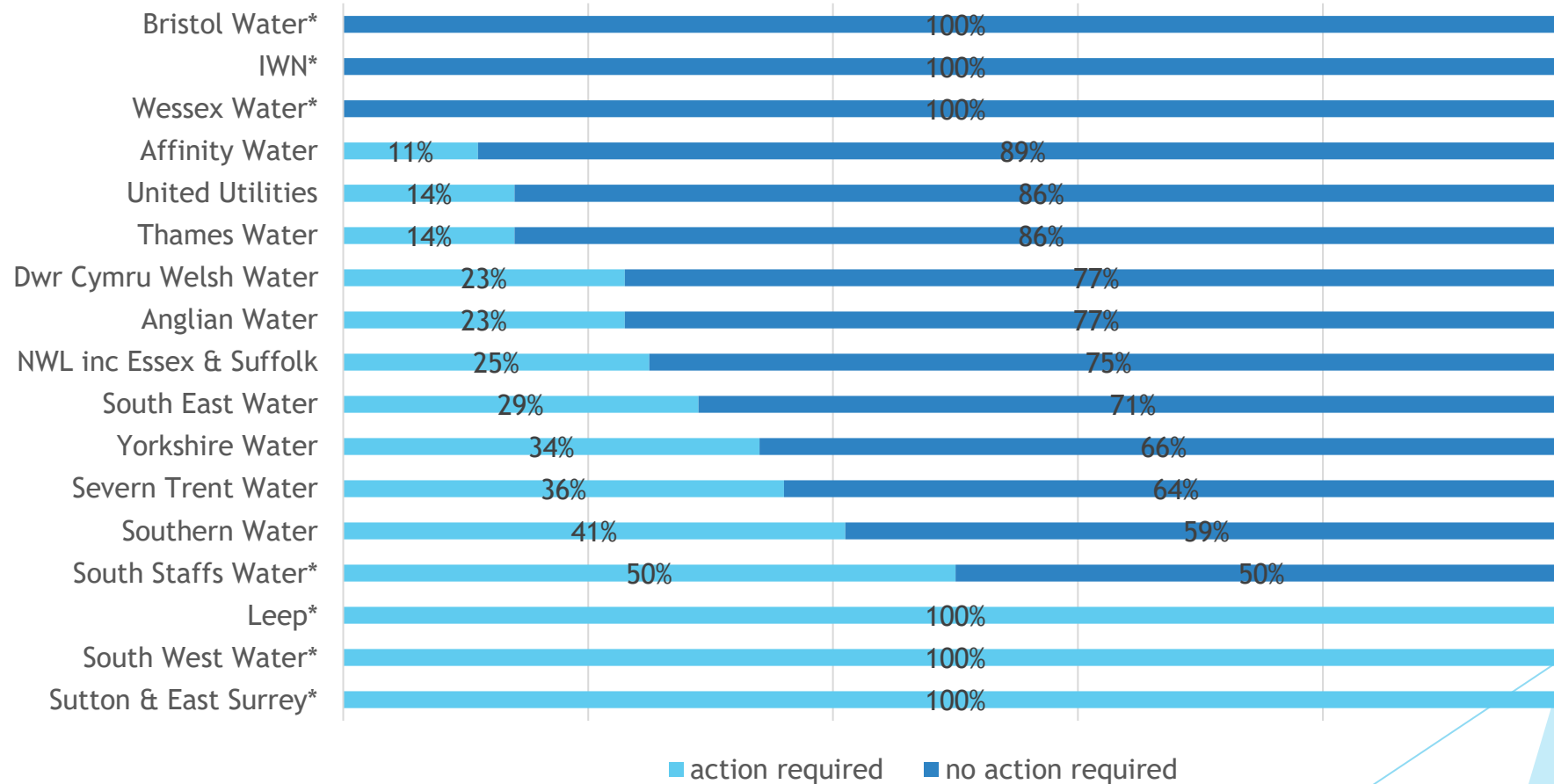
*per 10,000 connections for wholesalers and per 10,000 SPIDs (supply point identification numbers) for NHH retailers (retail companies for non-households)

** table updated from 2019/20 Annual Review.

“ Wave left WATRS Oct 2019

Outcome by company - Household 2021/22

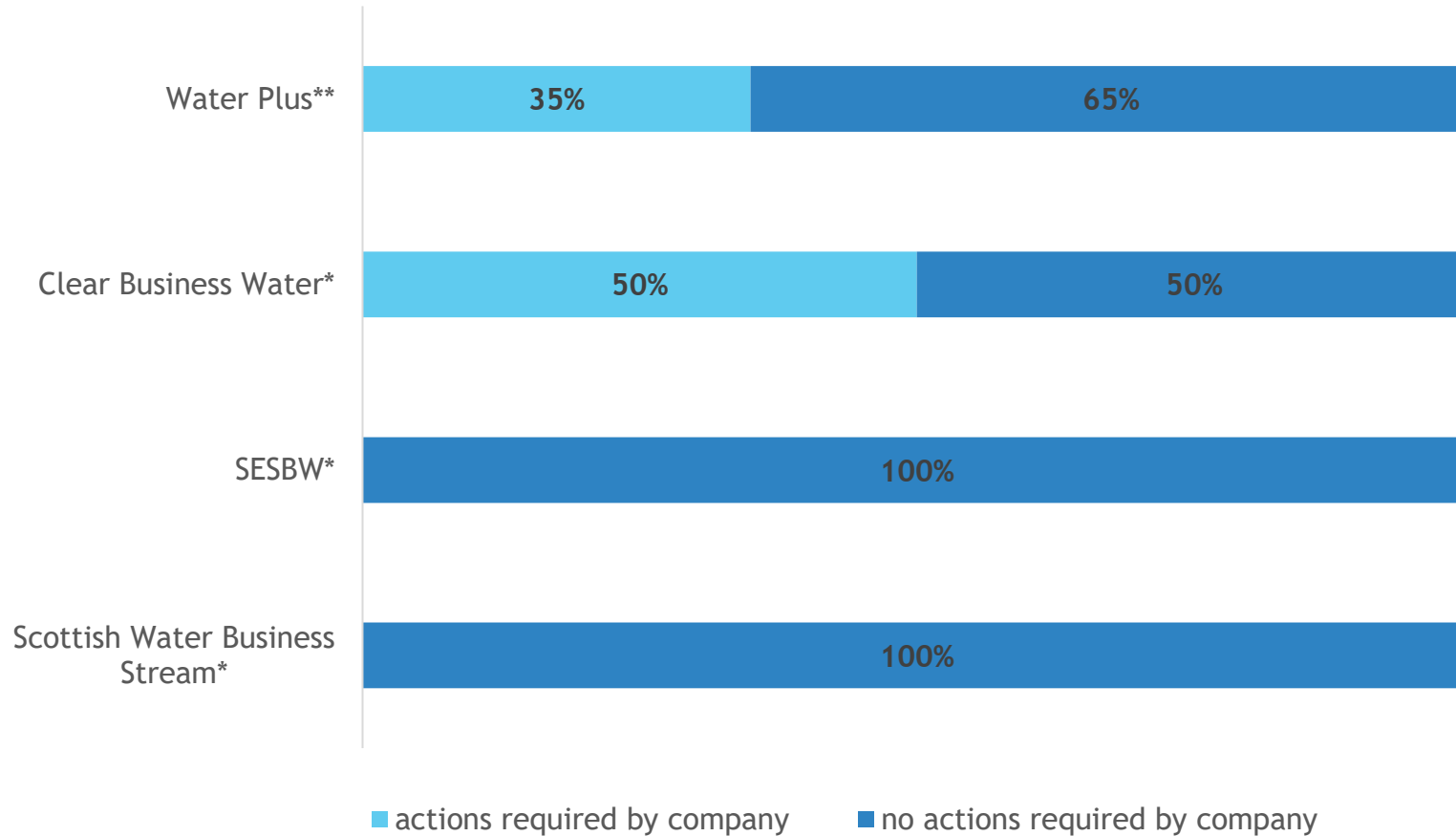
Action required/no action required split



*4 decisions or fewer

Outcome by company - NHH retailers 2021/22

Action/no action split

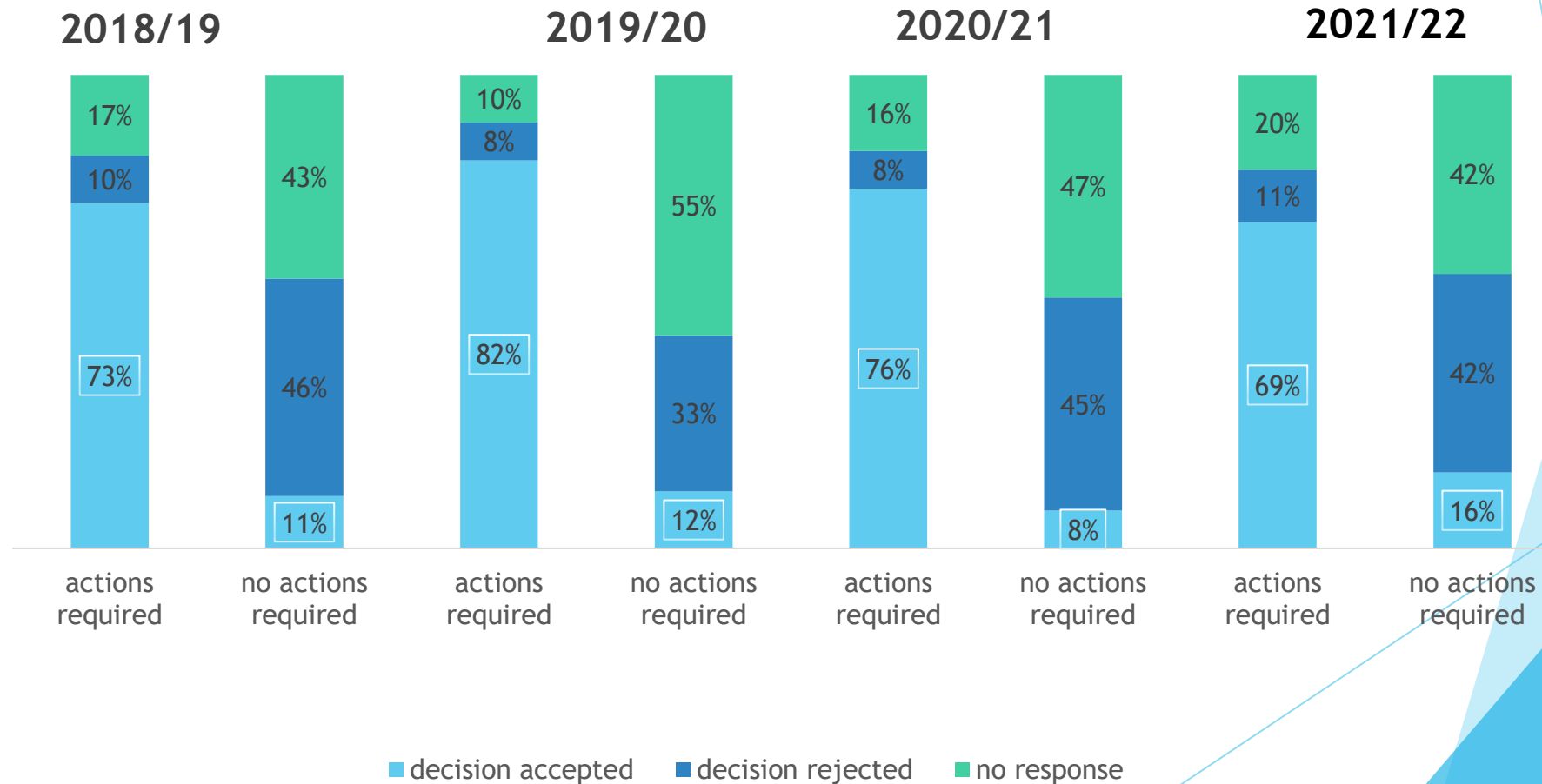


*4 decisions or fewer

**Note: part year only - Water Plus left WATRS in October 2021

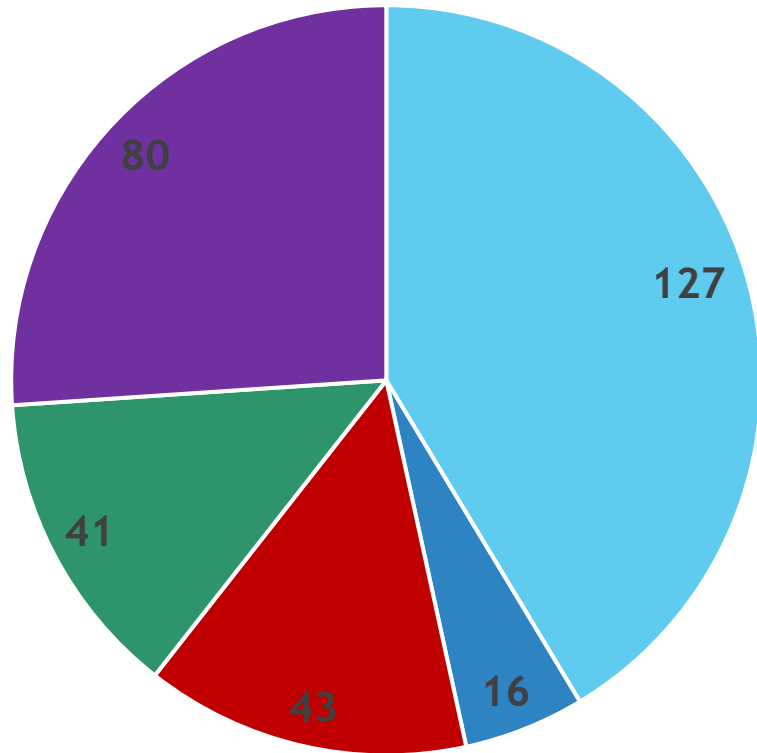
Customer response to decisions

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

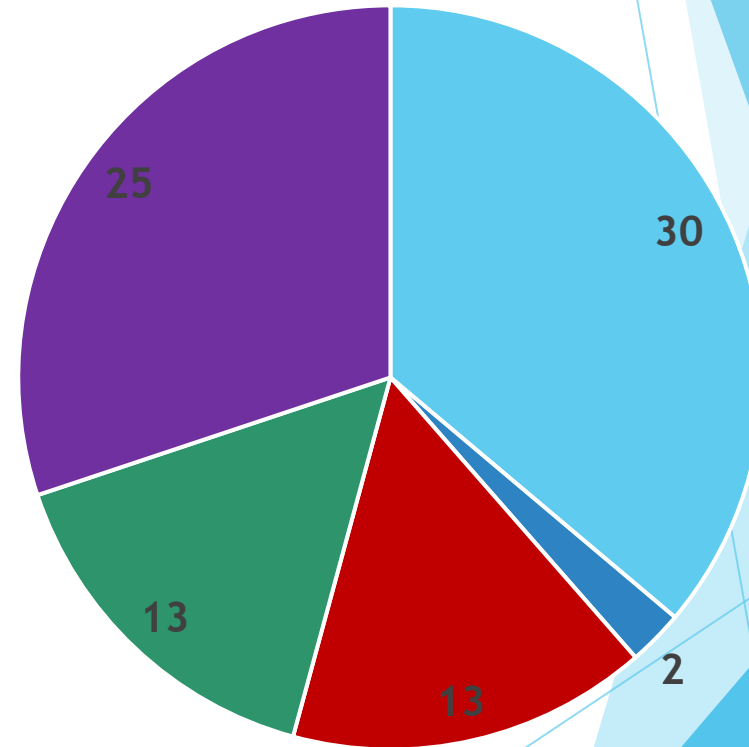


OVERVIEW BY SUBJECT: Household 2021/22

Decisions issued



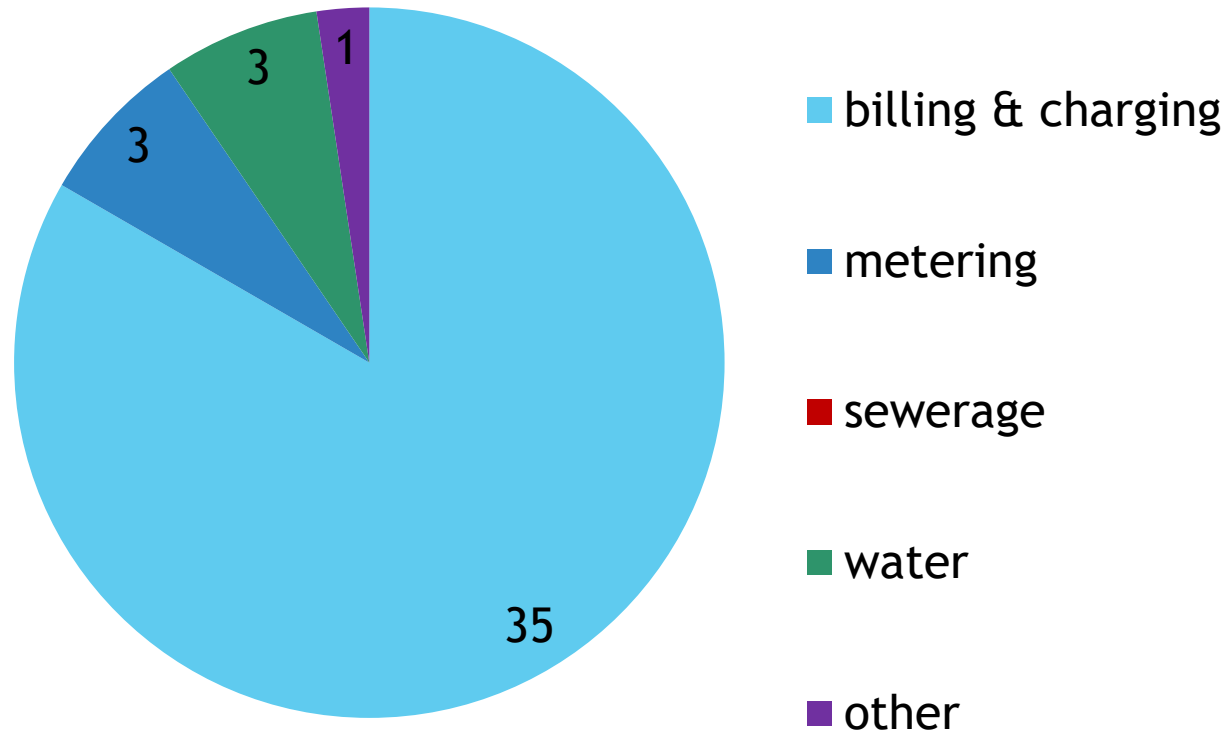
Decisions where actions required



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

OVERVIEW BY SUBJECT : Non-Household 2021/22

Decisions issued



Actions were required in 12 (29%) decisions relating to billing & charging matters. In 10 cases a direct financial award was made and in 2 the companies concerned were directed to recalculate the customer's bill and provide a refund.

MORE ABOUT REDRESS IN 2021-22

- 95 decisions where action required by company (83 for households and 12 for non-households)
 - 80 decisions included a monetary* award
 - 29 decisions had a monetary award plus other action (eg apology, set up payment plan)
 - 15 non-monetary only**
- 11 monetary awards £1000 or above (10 households and 1 non-household in comparison to 9 households and 4 non-households in 2020-21)
- £200 average (median) sum for monetary awards (£200 for households and £130 for non-households).
- Total monetary awards £38,122 (£35,432 for households and £2,690 for non-households).

• 'monetary' excludes decisions where amount of award not known for example the company is directed to calculate correct refund or rebate
• ** includes apology, calculation of rebate, undertaking specified works

DISTRESS & INCONVENIENCE AWARDS

- 70 decisions included awards for distress and inconvenience (61 for households, 9 for non-households).
- Almost $\frac{3}{4}$ 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 £26,829 had to be paid for Distress and Inconvenience (£24,179 for households and £2,630 for non-households).

Case studies: why these?

The 6 case studies that follow are taken from decisions published during 2021/22. A total of 349 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 random 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 - sewerage

What happened? The customer had sewage smells in her house 2 to 3 times a year. The problem had been on-going for 9 years and the customer wanted it to be resolved. The customer did not think that the company was taking her issue seriously.

Compensation The customer wanted the company to review the customer service she had been given and to make a further goodwill payment for any customer service failings found and to resolve the problem. The company had made a number of visits to the customer's property, and had surveyed and jetted a number of sewers near the customer's property but had been unable to identify any faults on the public sewerage network that might cause sewage smells to enter the customer's house. The customer had an access chamber in her conservatory which the company resealed. The company advised the customer that the foul drainage stack pipe next to her bathroom was not working correctly and that a rainwater pipe was not properly connected and that these could be the source of the bad smells.

WATRS decided that the company's investigations had been reasonable, that it had taken the customer's complaints seriously and that there were no identifiable faults on the company's assets that could be responsible for the problems the customer had. No further actions was required by the company.

Case study - billing & charging

What happened? In 2014 the company put a default on the customer's credit file for non-payment of his bills. The customer thought that the company had not given him notice before it put the 1st default on his credit file and then had wrongly put a 2nd default on his credit file in 2016.

Compensation In 2020 the customer made a SAR (data subject access request) for his billing records and said that the records given to him by the company showed that no notices had been given to him in either 2014 or 2016. The customer wanted an apology, the default removed from his credit file and compensation from the company for failing to follow its own debt recovery procedures. The company said that it had followed its debt recovery procedures in 2014 when it registered the default and that it did not raise a 2nd default in 2016 (as it was not allowed to raise more than one default on one property). The company said that when the customer was in default with new charges they were added to the original default as a 'running default'. This was a standard policy that had been agreed with the ICO (Information Commissioner's Office).

WATRS decided, having looked at all of the documents provided by the customer and the company, that the company had given notice before it registered the default in 2014 and that it had not registered a 2nd default in 2016. The company did not need to take any further action.

Case study – billing & charging

What happened? The customer had a long dispute with his wholesale company (2014-16) about how his bills were calculated. That dispute had been resolved in favour of the customer (compensation and a refund on his bill) but the customer remained concerned that his account had not been properly credited. In March 2019 the customer raised his concerns with the retailer about his account. Customer wanted his bills adjusted to reflect historic readings.

Compensation: Since April 2017 when the water market in England opened, all non-household customers only have a relationship with their retail company and not the wholesaler. As a result, WATRS could only make a decision against a retailer for things that it had a responsibility for. As the customer's dispute related to actions taken by the wholesaler, WATRS was not able to comment on these. WATRS accepted that the company had properly raised the customer's concerns with the wholesaler and had provided its services to the customer to a reasonable standard. The company did not need to take any further action.

Case summary - billing & charging

What happened? The customer had lived in his property since the 1970s. In 2019 the customer applied for a surface water drainage (SWD) charge rebate. The company provided a 6 year rebate but the customer thought that all of his charges from 1996 (when a separate SWD charge was introduced) should have been refunded. The customer said that the company should have known that his property was not connected because it would have had copies of the original development plans when the house was built.

Compensation: WATRS decided that the Company had made the SWD refund in accordance with its charges scheme. The charges scheme had to follow rules adopted by Ofwat which it did.

Although the company may have had records relating to the Property, Ofwat had made it clear that the onus was on the customer to claim the rebate rather than to expect the company to undertake independent investigations to ensure that they were billed correctly. The company told its customers of their right to request a SWD rebate on a regular basis as part of the information sent with annual bills. In this case before 2019 when the customer applied for a SWD rebate, the company had no reason to look at any records it held. No further refund was payable.

Case study - billing & charging

What happened? In November 2020 the customer applied for a leakage allowance on behalf of his elderly father. The company investigated, found a leak and gave a discretionary leakage allowance for the period November 2019 – April 2021. The customer thought that the company should have taken his father's age and vulnerability into account and have pro-actively contacted his father when the direct debits for his bills started to increase in 2012.

Compensation: the customer wanted the company to give a leakage allowance from 2012. The company had paid for the repair on the customer's private pipe and granted a discretionary allowance for more than its usual 12 month period.

WATRS accepted that generally customers are responsible for monitoring their own usage and contacting a company should a problem arise. The company had no record of any contacts with the customer's father between 2008 -2020. WATRS decided that before the customer contacted the company on behalf of his father the company would have had no reason to consider the customer's father to be a vulnerable customer simply because he was elderly and that no further allowance was payable.

Case study – water

What happened? The customer was in dispute with company over issues relating to the his water supply including pressure, quality and the unlawful connections. The customer and his neighbours lived on a private lane with a private supply pipe. The customer was concerned about potential unlawful connections to the private supply pipe. He said that he represented his neighbours.

Compensation: The customer did not believe that the company had taken his complaints seriously and wanted the company to clarify what its position was regarding his on-going complaints and to provide compensation if it had fallen below the standard it should have in dealing with him.

WATRS said that the company had investigated properly but had found no evidence of unlawful connections. The company had also received no complaints from the customer's neighbours regarding water pressure or quality and there was no evidence that the customer had authority to act on behalf of his neighbours. On the evidence provided, WATRS decided that the company had responded to customer in reasonable detail and had taken him seriously. No further action was required.

The Panel 21/22: 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