

**Water Redress Scheme Rules
(2015 edition)**

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1. General

- 1.1 The Water Redress Scheme (known as “WATRS” or “the Scheme”) is administered by the consumer services unit of the Centre for Effective Dispute Resolution (CEDR). CEDR is a non-profit body that is independent of the water industry. The Scheme provides an independent process for adjudicating unresolved disputes between participating water companies and water and sewerage companies (“the companies”) and their “customers”, as defined in section 2 of these Rules.
- 1.2 The operation of the Scheme is overseen and assured by the WATRS Alternative Dispute Resolution Panel (“the ADR Panel”) which has been established to ensure the independence, effectiveness and integrity of the Scheme. A full copy of the ADR Panel’s Terms of Reference is available on the website of Resolving Water Disputes Limited (“RWD”).
- 1.3 Decisions under the Scheme are taken by “adjudicators”: independent persons appointed by CEDR to decide on the outcome of disputes dealt with under the Scheme.
- 1.4 A full list of participating companies appears on the website of RWD.
- 1.5 The Scheme is free of charge to customers. Customers have a choice as to whether or not to use the Scheme. Where a dispute is settled in accordance with Rule 5.2, the dispute will be withdrawn from the Scheme before the adjudicator’s decision is issued to the parties. In all other cases where an application for adjudication has been made by a customer and has been accepted by WATRS, it will be dealt with in accordance with the procedure set out in Section 5.
- 1.6 An application for adjudication can only be made by a customer if the dispute has not been resolved to the customer’s satisfaction after exhausting the company’s complaints procedure and after mediation and/or formal investigation by the Consumer Council for Water (“CCWater”).
- 1.7 An adjudication decision made in a dispute is binding on the company provided that the customer notifies WATRS that they accept the decision in full within 20 working days of the date on which the decision is issued to the parties.

- 1.8 Any decision made by an adjudicator appointed under these Rules applies only to the dispute pursuant to which the decision was made. Adjudicators will take a consistent approach in reaching their decisions but every dispute will be decided on its own facts and a decision made by an adjudicator in one dispute will not establish a precedent for future cases.

2. Eligibility to use the Scheme

- 2.1 The following are eligible to make applications to the Scheme (provided that the subject matter of the complaint meets the criteria outlined in Section 3):
- 2.1.1 a person/s who receives water and/or sewerage services provided by a company in the course of its business as a statutory undertaker and/or a statutory licensee, including but not limited to the person/s on whom liability to pay charges for such services would fall;
- 2.1.2 the person/s to whom water and/or sewerage services are provided or are to be provided by the company in the course of its business as a statutory undertaker and/or a statutory licensee, and the person/s who wish to have such services provided by such a company.

For the avoidance of doubt, the definition of a 'customer' in this Rule includes companies, developers and self-lay organisations.

- 2.2 Applications to the Scheme will be accepted from customers or their nominated representatives. If a customer wishes to nominate a representative to act on their behalf, the customer must confirm on their application to the Scheme that they agree to the representative acting on their behalf.
- 2.3 Applications may be made on behalf of more than one customer. However, each customer must be a named signatory to the application and must confirm that they wish to refer the dispute to the Scheme. Alternatively, each customer must have confirmed on their application that they agree to a representative acting for them on behalf of all of the signatories. Once an application to the Scheme has been initiated, it will not be possible to add further names and a further application will have to be made in respect of any additional customers.
- 2.4 A customer can only refer a dispute to the Scheme for adjudication once he/she has exhausted the company's complaints procedure and after CCWater has issued WATRS Notification Letter or WATRS Option Letter. A sample WATRS Notification and a WATRS Option Letter are available upon request.
- 2.5 CCWater will issue a WATRS Notification Letter to a customer where a dispute between a customer and a company remains unresolved having completed the company's complaints procedure and after CCWater mediation and/or formal investigation procedures have taken place and have been concluded.

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- 2.6 CCWater will issue a WATRS Option Letter to a customer:-
- 2.6.1 8 weeks after the date on which a dispute between that customer and a company has been referred to, and been accepted by, CCWater and the dispute is subject to a formal investigation which is still continuing; or
- 2.6.2 4 weeks after the date on which a dispute between that customer and a company has been referred to, and been accepted by, CCWater and the dispute is subject to mediation which is still continuing.
- 2.7 Customers have six months from the date of the WATRS Notification Letter to refer their dispute to the Scheme.
- 2.8 Once an application has been accepted by WATRS, any previous offers of settlement made by the company to the customer will be deemed to have been withdrawn and will no longer be available for acceptance by the customer.
- 2.9 WATRS will make a decision on an eligible dispute by considering the information provided by the customer and the company and, where requested by the customer, by CCWater.
- 2.10 If the company and/or the customer and, where relevant, CCWater do not provide information within the timeframes set by the Scheme, the adjudicator appointed under these Rules will determine the dispute by considering only the information provided.

3. Scope of the Scheme

- 3.1 The power to determine whether a dispute falls within the scope of the Scheme rests with WATRS. The decision of WATRS as to the eligibility of a dispute is final.
- 3.2 In the event that WATRS decides that a dispute is not eligible, WATRS will notify the customer of this and will provide reasons as to why the dispute is not eligible.
- 3.3 The Scheme can only be used to settle disputes related to:
- bills, payments, collections and debt recovery;
 - metering;
 - water supply services;
 - wastewater/sewerage services;
 - development and new supplies (insofar as they do not fall to be determined by Ofwat);
 - other issues which have been the subject of an internal company complaint procedure and which

are not excluded under Rules 3.4 or 3.5.

3.4 WATRS may reject an application to the Scheme where it considers that:-

3.4.1 a customer should be referred to a more appropriate forum for the resolution of the dispute; or

3.4.2 the application should have been made against an alternative water and/or sewerage company; or

3.4.3 in exceptional circumstances, the dispute raises a complicated issue of law .

3.5 The Scheme cannot be used to adjudicate disputes which fall into one or more of the following categories:

- disputes concerning the Competition Acts 1998 and 2002 as amended;
- regulatory enforcement cases;
- bulk supply determinations;
- disputes between undertakers, between licensees and between undertakers and licensees;
- water supply licensing disputes;
- whistle blowing;
- any matters over which Ofwat has powers to determine an outcome;
- water quality legal standards;
- enforcement cases under the Environmental Protection Act 1990 and the Environmental Act 1995 as amended;
- disputes that are subject to existing court action or on which a court has ruled unless the court's decision has been set aside;
- disputes that are the subject of an existing or previous valid application under the scheme;
- the handling of CCWater and Ofwat complaints;
- complaints which are being or have been investigated by a statutory or regulatory agency or agencies including the Drinking Water Inspectorate and/or the Environmental Agency in respect of the breach of a statutory or regulatory requirement unless a WATRS Notification or Option Letter has been issued in respect of the complaint, ;
- resale and third party complaints;
- disputes concerning allegations of fraudulent or criminal activity; and
- any dispute or disputes that are considered by WATRS to be frivolous and/or vexatious.

3.6 If the dispute is about something that is not covered by these Rules, the company can nevertheless agree to use the Scheme, but it does not have to. In such circumstances, additional charges to use the Scheme may apply and would have to be agreed between the customer and the company prior to the acceptance of such an application by the Scheme.

4. Applying to use the Scheme

4.1 These rules apply to application forms received by WATRS after 31 March 2015. Transitional arrangements apply in relation to matters concluded between 1 October 2014 and 1 April 2015 (see Section 8 for details).

4.2 To apply to use the Scheme, a customer must send to WATRS a completed application form. If a customer requires any assistance in completing their application, they can contact WATRS and reasonable adjustments will be made.

4.3 The application form will require the customer to:

4.3.1 confirm that they have a WATRS Notification Letter or a WATRS Option Letter (and give the date and reference number of that letter);

4.3.2 request at least one of the following remedies from the company:

- an explanation and/or an apology;
- a service;
- something to be done about a bill or bills;
- some action to be taken (see Section 6 for the relevant limits on actions which can be required);
- compensation or an allowance against charges (see Section 6 for the relevant limits on compensation).

4.4 The application should include details of:

- the service provided or not provided by the company that the dispute is about;
- the events leading to the dispute;
- the precise issues which are in dispute;
- the steps already taken to attempt to reach a resolution with the company including CCWater involvement;
- the reasons for requesting the remedy or remedies sought;
- the reasons for the amount of any compensation claimed;
- any relevant supporting documents, including correspondence from CCWater.

- 4.5 Referring a dispute to the Scheme does not remove the customer's duty to pay the company any amounts which are due and which are not disputed.

5. The adjudication procedure

5.1 The Claim

- 5.1.1 When an application form is received along with any supporting documents, WATRS will make an initial assessment as to whether or not the dispute falls within the scope of the Scheme.

- 5.1.2 If WATRS considers the application relates to a dispute which falls within the scope of the Scheme, it will send an electronic copy of the customer's application form and any supporting documents to the company (and, if appropriate, to CCWater).

- 5.1.3 When an application is accepted by WATRS, a case reference number will be allocated and communicated to the parties. Both the customer and the company (and CCWater, if appropriate) must quote this case reference number in all subsequent correspondence with WATRS regarding the case.

- 5.1.4 The date on which the company receives the application is Day Zero.

- 5.1.5 Once the application is deemed to have been received by the company, the company has five working days starting on the working day after Day Zero in which to either:

- 5.1.5.1 confirm to WATRS in writing that it is prepared to give the customer all of the remedies requested on the application form or that it has agreed an alternative settlement by negotiation directly with the customer; or

- 5.1.5.2 send WATRS its written defence to the customer's claim, including any submissions relating to matters of law and, if appropriate, where the customer's claim relates to the carrying out of some action, the cost of such actions and any practical constraints which prevent such actions from being undertaken.

The company must communicate any confirmation of settlement or written defence to WATRS by 23:59 at the end of the fifth working day as referred to above.

5.2 Settlement

- 5.2.1 If the company agrees to give the customer all of the remedies they have asked for on their application form (i.e. a settlement in full), the company must notify WATRS of this in writing within the 5 working day timescale set out at Rule 5.1.5. The company must provide the customer with all of the remedies requested on the WATRS application form within 20 working days of WATRS being notified of the settlement or within an alternative timescale which has been agreed between the parties directly. Any agreed alternative timescale must be communicated to WATRS by the company. If the remedies are not provided to the customer within the appropriate timescale, the matter is deemed not to have been settled and Rule 5.2.7 will apply.
- 5.2.2 When WATRS receives satisfactory evidence from the company that a settlement in full has been reached and that the remedies agreed have been provided, WATRS will close the case.
- 5.2.3 If the company reaches any other resolution with the customer to settle the dispute (i.e. a negotiated settlement), the company must notify WATRS of this in writing within the 5 working day timescale set out at Rule 5.1.5. At the same time, the company must provide WATRS with evidence of the offer made to the customer and confirmation that the customer has accepted that offer in exchange for the closure of their WATRS case. The company must provide the customer with the remedies agreed as part of the negotiated settlement within 20 working days of WATRS being notified of the settlement or within an alternative timescale which has been agreed between the parties directly. Any agreed alternative timescale must be communicated to WATRS by the company. If all of the agreed remedies are not provided to the customer within the appropriate timescale, the matter is deemed not to have been settled and Rule 5.2.7 will apply.
- 5.2.4 If the company reaches a settlement in full or any other resolution with the customer to settle the dispute (i.e. a negotiated settlement) after the 5 working day timescale set out at Rule 5.1.5 but before the adjudicator's decision has been issued by WATRS in accordance with Rule 5.5.2, the company must provide WATRS with evidence of the offer made to the customer and confirmation that the customer has accepted that offer in exchange for the closure of their WATRS case. The company must provide the customer with the remedies agreed as part of the settlement in full or the negotiated settlement within 20 working days of WATRS being notified of the settlement or within an alternative timescale which has been agreed between the parties directly. If the customer informs WATRS that the company has not provided the agreed remedies within the appropriate timescale, the matter is deemed not to have been settled and Rule 5.2.7 will apply.
- 5.2.5 When WATRS receives satisfactory evidence from the company that the remedies agreed as part of the negotiated settlement have been provided, WATRS will close the case.

5.2.6 Where a customer has requested compensation and the company has agreed to make a payment the company may, at its discretion, credit the customer's account with the amount requested and pay any credit balance to the customer.

5.2.7 If the company has not provided the customer with all of the remedies under the settlement in full or negotiated settlement within the relevant timescale, the customer must advise WATRS within 15 working days of the date on which the company should have provided the remedies. The customer must advise WATRS at this time which remedy or remedies have not been provided. Upon the customer advising WATRS that one or more remedies remain outstanding, WATRS will re-open the case and appoint an adjudicator to make a decision in the case. The adjudicator will give the company 5 working days to provide a defence to the customer's claim.

5.3 Objections and Eligibility

5.3.1 Within two working days starting on the working day after Day Zero, the company can object to WATRS' acceptance of the validity of an application if it considers the dispute to be outside the scope of the Scheme.

5.3.2 In making an objection, the company must contact WATRS and specify one or more reasons under Rules 3.4 or 3.5 as to why the application is outside the scope of the Scheme. The evidential burden rests with the company to prove why the application falls outside the scope of the Scheme.

5.3.3 An adjudicator will examine the company's objection and decide whether or not to uphold the objection. The adjudicator's decision on the objection will be communicated to the parties within 2 working days of the objection being received by WATRS.

5.3.4 If the company's objection is upheld, the application will be withdrawn from the Scheme and the customer will be notified in accordance with Rule 3.2. There is no right of appeal against the adjudicator's decision by either the company or the customer. The adjudicator's decision does not prevent the customer from making a new application on different grounds.

5.3.5 If the company's objection is not upheld, the case will remain active. The 5 working day timeframe for the company to file a defence or to settle the dispute under Rule 5.1.5 will be unaffected by the outcome of the objection. If an adjudicator is subsequently appointed to determine the dispute, all correspondence associated with the company's objection will be forwarded to that adjudicator to be taken into account when reaching a decision.

5.4 The Defence

- 5.4.1 When WATRS receives the company's defence, a copy of it will be sent to the customer and an adjudicator will be assigned to the case.
- 5.4.2 If the company does not submit a defence to WATRS within the time allowed, WATRS will appoint an adjudicator who will have the discretion to proceed to make a decision considering only the information provided by the customer, and if relevant, CCWater.
- 5.4.3 If the customer wishes to make any comments on the company's response, these must be submitted within 2 working days of receipt of the company's response. The customer cannot introduce new matters or evidence in their comments on the company's response; the adjudicator will disregard any such material if submitted. Upon receipt of any comments from the customer, WATRS will send a copy of the comments to the adjudicator and will also send a copy to the company for their information.
- 5.4.4 Should the company wish to respond to any of the customer's comments, the adjudicator may, at his or her discretion, accept such comments but the overall timeline for the process will not be extended.
- 5.5 The Decision
- 5.5.1 The adjudicator will, at his or her discretion, seek guidance or advice from an independent technical expert. A panel of technical experts has been appointed by WATRS to support the Scheme.
- 5.5.2 WATRS aims for decisions to be issued within 20 working days of an application being received by WATRS, but this timescale may be extended where additional evidence or technical advice is considered by the adjudicator to be necessary.
- 5.5.3 The adjudicator's decision will be set out in writing and will include a summary of the reasons for the decision and, where appropriate, the timescale for compliance with the decision and any steps to be taken by the customer in the event of non-compliance by the company. The decision will not provide a detailed analysis of the documentation provided by the parties unless the adjudicator considers it to be necessary.
- 5.5.4 Once the adjudicator's decision is complete, WATRS will send copies of the decision to both the customer and the company. A copy of the decision will be sent to CCWater for information.

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- 5.5.5 The adjudicator's decision will only become binding on the company if the customer advises WATRS within 20 working days from the date on which the adjudicator's decision is issued to the parties that they accept the decision in full.
- 5.5.6 If, during the time period specified at Rule 5.5.5, the customer advises WATRS that they reject the decision, or that they do not accept the decision in full, or if the customer fails to contact WATRS during the time period, the adjudicator's decision will not be binding on either party.
- 5.5.7 Where the adjudicator's decision directs the company to make a payment to the customer, and the customer accepts the adjudicator's decision, the company may, at its discretion, credit the customer's account with the amount directed and pay any credit balance to the customer.
- 5.5.8 The decision cannot be accepted by the customer after the expiry of the 20 working day period referred to at Rule 5.5.5, unless the company agrees. In circumstances where the company does not agree, the decision will not be binding on either party.
- 5.6 Setting aside an adjudicator's decision
- 5.6.1 A customer is entitled to reject an adjudicator's decision and pursue alternative methods of redress outside the WATRS scheme. If the customer accepts a decision, it will bind the company except in the following circumstances.
- 5.6.2 If, after the adjudicator's decision has been issued to the parties, the company is of the view that the adjudicator acted outside of the powers granted under these Rules in making the decision, the company may apply to WATRS for the decision to be set aside.
- 5.6.3 For the avoidance of doubt, WATRS will administer the process for any application to set aside an adjudicator's decision, and CEDR will make the determination of whether or not to set aside the adjudicator's decision.
- 5.6.4 The company's application to WATRS must be in writing from a director of that company, and must set out the full reasons why the adjudicator acted outside of the powers granted under these Rules in making the decision. The company can attach supporting documents to its application if it so wishes.
- 5.6.5 The company's application to set aside the decision must be made to WATRS within ten working days of the date on which the decision was sent to the parties.

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- 5.6.6 Upon WATRS' receipt of the company's application for the decision to be set aside, WATRS will send a copy of the company's application and any supporting documents to the customer, who will be given a period of ten working days within which to provide any comments on the company's application.
- 5.6.7 CEDR will consider the company's application and any comments provided by the customer and will make a determination as to whether or not the adjudicator acted outside of the powers conferred by these Rules in making the decision. CEDR will send its written determination and full reasons to the parties within ten working days of the expiry of the period for the customer to submit comments.
- 5.6.8 If CEDR determines that the adjudicator did not act outside of the powers granted under these Rules in making the decision, the adjudicator's decision shall stand.
- 5.6.9 If CEDR determines that the adjudicator acted outside the powers granted by these Rules in making the decision, CEDR may, at its discretion, take any of the following actions:
- 5.6.9.1 set the original decision aside; and/or
- 5.6.9.2 if necessary, issue a new decision.
- 5.7 Compliance with the Decision
- 5.7.1 If the adjudicator's decision directs the company to take an action in relation to the customer, and the customer accepts the decision under Rule 5.5.5, the company must complete the necessary action(s) within the timescale directed by the adjudicator.
- 5.7.2 If the adjudicator has not specified a timescale for the directed action(s) referred to in the above clause, the company must make any payment and/or complete the directed actions(s) within 20 working days from the date on which WATRS notifies the company of the customer's acceptance of the decision.
- 5.7.3 If the company is for any reason unable to complete the necessary action(s) within the relevant timescale above, the company must advise the customer and WATRS why that is before the expiry of the timescale. At the same time, the company must specify a substitute date by which the necessary action(s) will be completed.
- 5.7.4 If the customer informs WATRS that the company has not made any payment and/or completed the required actions within the timescale set out at Rule 5.7.1 or 5.7.2, or any substitute timescale

advised by the company under Rule 5.7.3, WATRS will contact the company to seek compliance with the decision. If the company does not respond or fails to comply with the decision within five working days, WATRS will escalate the matter to a senior member of staff at the company. In the event of the company's continued failure to respond and/or comply with the decision within a further five working days, WATRS will refer the matter to a Director of CEDR who may, at his/her discretion, give notice to suspend or terminate the company's membership of the Scheme and notify RWD of the notice to suspension or termination.

- 5.7.5 In the event of suspension from or termination of membership of the Scheme, the company concerned shall be required to notify the Water Services Regulation Authority (Ofwat) within 5 working days of such suspension or termination.

6. Powers of the adjudicator

- 6.1 The adjudicator will be fair and unbiased at all times and will make a decision that is in line with the relevant law, and will take into consideration any relevant and applicable codes of practice.
- 6.2 Subject to compliance with the overall timescales set out within the Scheme Rules, the adjudicator can do the following:
- 6.2.1 Request further evidence or documents from the customer or the company, and set time limits in which the customer and the company must provide such evidence or documents;
- 6.2.2 Receive and take account of any evidence the adjudicator thinks is relevant;
- 6.2.3 Proceed with the adjudication if either the customer or the company does not keep to these Rules or any instruction or direction made pursuant to these Rules;
- 6.2.4 End the adjudication if, in the adjudicator's opinion, all or part of the claim falls outside the scope of the Scheme and/or he or she considers that a more appropriate forum for the resolution of the dispute exists;
- 6.2.5 End the adjudication if the customer and the company settle their dispute in accordance with the provisions of Rule 5.2 before a decision is made;
- 6.2.6 Determine whether the company has complied with the decision, in the event that a dispute arises between the parties regarding compliance.

- 6.3 Subject to the limits set out in Rules 6.4 and 6.5, if the adjudicator finds that the customer's claim succeeds in full or in part, he or she can direct the company to provide the appropriate remedies in accordance with these Rules.
- 6.4 Under the Scheme there are maximum limits for awards. The total value of an adjudicator's award for compensation and/or the cost or value of any action to be taken and/or the cost or value of any service to be provided cannot exceed the maximum limits. These are £10,000.00 per customer for households, and £25,000.00 per customer for non-households. Nothing in these Rules prevents a customer from making a claim for an amount in excess of the maximum limits but the adjudicator cannot make an award or direct that any action and/or service be undertaken or provided the cost or value of which would be in excess of the maximum limits. Where multiple customers are residing or working at the same address, the limit applies across the group unless they are separate bill payers.
- 6.5 The adjudicator cannot require a company to undertake any action or works where the company has no statutory right to undertake such action or works.
- 6.6 In exceptional circumstances, but subject always to the overall maximum limits, the adjudicator may at his or her discretion award more compensation than has been claimed by the customer.

7. Costs

- 7.1 No fee will be charged to a customer for using the Scheme. The water industry will be responsible for funding the Scheme.
- 7.2 A customer may include (subject to proof of loss) claims for incidental costs as part of his/her claim but the adjudicator has no powers to make an award of costs to any party in respect of professional and/or legal costs associated with the provision of advice and/or other services in relation to the making of an application to the Scheme.

8. Transitional Arrangements

- 8.1 Where a customer has had a complaint which has been the subject of a mediation and/or formal investigation by CCWater commenced on or after 1 October 2014 but before 1 April 2015, and on or before 1 April 2015 the customer received notification from CCWater stating that the mediation and/or formal investigation has been closed, that customer may request CCWater to issue a WATRS Notification Letter.

- 8.2 Any request by a customer for a WATRS Notification Letter under Rule 8.1 must be made on or before 30 June 2015.
- 8.3 Any application made to the Scheme on receipt of a WATRS Notification Letter issued by CCWater under Rule 8.1 will be subject to the eligibility criteria set out in Section 3.
- 8.4 Where a customer received notification from CCWater on or before 30 September 2014 that a mediation and/or formal investigation concerning a complaint made by the customer to CCWater has been closed, the customer may not make an application in respect of that complaint to the Scheme.

9. Other rules

- 9.1 WATRS will appoint a substitute adjudicator if the adjudicator originally appointed is unable to deal with the dispute for any reason. WATRS will inform the parties if such an appointment is made only in circumstances where the timetable for publication of the decision is affected by the substitution.
- 9.2 With the exception of amending a decision following any minor error, neither WATRS nor the adjudicator will enter into correspondence relating to the content of any decision.
- 9.3 If the customer or company has a complaint about the quality of service provided in the course of the administration of a WATRS case, the complaint should be made through the IDRS complaints procedure, copies of which are available from WATRS. The IDRS complaints procedure cannot be used to challenge an adjudicator's decision, the decision process adopted by an adjudicator, or the content of these Rules.
- 9.4 If either the customer or the company requires any original documents returned to them, they must make such a request within 20 working days from the date of the adjudicator's decision being sent to them. If no such request is made, WATRS will dispose of the documents securely.
- 9.5 Any reference in these Rules to working days by definition excludes Saturdays, Sundays and public holidays celebrated in England and Wales.
- 9.6 The Scheme, including these Rules, may be updated from time to time. Disputes will be determined according to the Rules in force at the time the customer applies to use the Scheme.

- 9.7 Where a decision has been issued by an adjudicator, WATRS may publish a case summary of that decision on its website. The case summary will not contain the name or personal details of the customer or the name of the company but may highlight issues it considers to be of public interest.

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