

Clarification of default standards October 2007

Overview

This is the Commission's response to the consultation it issued in October 2007 setting out a clarification of the standards applicable to the default services which all licensed providers who hold a general licence must offer to customers at the default price.

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Consultation Response

The Water Industry Commission for Scotland (“the Commission”) published its consultation document, “*Clarification of default standards*” in October 2007. The aim of the consultation was to clarify the standards applicable to the default services which all licensed providers who hold a general licence must offer to customers at the default price.

The consultation set out two areas of clarification:

1. the way in which a breach of the default standards may give rise to a payment by the relevant licensed provider to the affected customer; and
2. The standards of service that apply in an emergency.

We received one response to the consultation from Scottish Water Business Stream. We would like to thank Business Stream for its comments and suggestions, which we have found useful. Copies of the respondent’s submissions can be found on our website www.watercommission.co.uk

In response to the points raised by Business Stream the Commission has made the following revisions to the draft default standards:

- We have revised Default Standards 4 and 5 to clarify that customers should contact their Licensed Provider either directly or via the 24 hour number established by licensed providers and Scottish Water; and
- We have added to Default Standard 10 a provision that Licensed Providers should work with Scottish Water when contacting their customers to inform them that there has been an Emergency.

With regard to Default Standard 11, we have not amended the wording of the standard but for the avoidance of doubt, the Commission has not issued (and has no present intention to issue) guidance on the interpretation of this Standard. Accordingly, it will be for Licensed Providers to decide how they comply with their responsibility to communicate changes in maximum default tariffs to eligible customers within 14 business days of approval of those changes by the Commission, whether that be through the use of newspaper advertising or otherwise.

Set out below are the revised draft default standards which are also now available on the Commission’s website.

DEFAULT STANDARDS

This part sets out the standards which are to be met by each licensed provider in providing a default service. These standards shall be regarded as the "default standards" for the purposes of the standard conditions.

Save where otherwise provided in this part 4, each of the default standards apply to all default services.

Default Standards

Under the terms of its water and/or sewerage services licence(s), each licensed provider must offer eligible customers the following default standards. If the licensed provider fails to meet these standards the licensed provider will pay its eligible customer compensation. A licensed provider will, save where otherwise provided in this part 4, make any compensation payment due to its eligible customer without that customer having to claim the payment.

In circumstances outside the licensed provider's reasonable control (such as severe weather), the licensed provider unfortunately cannot guarantee these default standards. In some other situations, for example where the licensed provider delays a response at a customer's request, a default standard payment may not be appropriate.

If a compensation payment is due, the licensed provider will make a payment within 10 business days of the qualifying event, or, if a claim is required, from when the licensed provider receives its eligible customer's claim. If the licensed provider fails to do this it will pay its eligible customer a further £20. The licensed provider will normally make payment by crediting its eligible customer's account.

Default Standard 1 – Written or telephone complaints

If an eligible customer telephones its licensed provider with a complaint, the licensed provider will try to resolve the problem when the eligible customer calls. If this is not possible, the licensed provider will investigate the eligible customer's complaint and will call the eligible customer back promptly. If the eligible customer asks the licensed provider for a written response to their complaint the licensed provider will send the eligible customer a written response within 8 business days from the date on which the eligible customer telephoned the licensed provider.

If an eligible customer writes to, faxes or e-mails its licensed provider with a complaint the licensed provider will respond as quickly as possible and always within 8 business days. Where the licensed provider cannot give the eligible customer an immediate full response, the licensed provider will regularly keep the eligible customer informed of progress in resolving the problem.

The licensed provider will pay its eligible customer £20 if the licensed provider fails to respond within 8 business days to:

- the eligible customer's written complaint; or
- a complaint by telephone in which the eligible customer asks for a written response.

Default Standard 2 – Invoice Queries

If an eligible customer queries any aspect of an invoice its licensed provider sends it, the licensed provider will always try to deal with the eligible customer's query whilst the eligible customer is still on the line. If this is not possible and some work is required on an eligible customer's account, the licensed provider will respond to the eligible customer within 10 business days of the eligible customer's initial call.

If an eligible customer contacts its licensed provider to ask for a change to its method of paying, the licensed provider will deal with the eligible customer's request within 5 business days.

If the licensed provider fails to do either of these within the required time, the licensed provider will pay its eligible customer £20.

Default Standard 3 – Keeping appointments with customers

If a licensed provider makes an appointment to visit its eligible customer on the eligible customer's site more than 24 hours in advance, the licensed provider will guarantee to keep the appointment, or to give the eligible customer at least 24 hours' notice of cancelling or changing it. The licensed provider will ask its eligible customer if it would prefer a morning or afternoon appointment or a 2-hour time band within which the licensed provider's representative will visit.

The licensed provider will pay its eligible customer £20 if:

- the licensed provider's representative does not turn up on the appointed morning or afternoon or within the agreed 2-hour time band; or
- the licensed provider fails to let the eligible customer know about a cancellation or changed appointment time at least 24 hours in advance.

This standard only applies to operational visits, such as visits to discuss water pressure problems or for a survey to establish if a water meter can be fitted.

Default Standard 4 – Planned interruptions to an eligible customer's water supply

If Scottish Water is planning to carry out maintenance or repair work that requires an eligible customer's supply to be shut off, Scottish Water is required to inform the eligible customer's licensed provider, who will inform its eligible customer, in advance of when the water supply will be off and when it will be turned back on.

If the work is planned to last more than 4 hours, Scottish Water will inform the eligible customer's licensed provider and the licensed provider will give its eligible customer at least 48 hours' notice of the intended interruption to their supply. A licensed provider will usually contact its eligible customers individually, but in the case of large areas being affected, the local media may be used as the means of communication.

In any of the above situations, a licensed provider shall pay its eligible customer £50 if:

- the eligible customer had not been warned of the interruption in the time periods set out above and the customer has informed their licensed provider (either directly or via the 24 hour number established by licensed providers and Scottish Water) that their supply has been interrupted; or
- the eligible customer has informed its licensed provider (either directly or via the 24 hour number established by licensed providers and Scottish Water) that their supply has not been restored by the notified time.

If an eligible customer has informed their licensed provider (either directly or via the 24 hour number established by licensed providers and Scottish Water) that their supply has not been restored by the notified time, the licensed provider shall pay that eligible customer a further £25 for each additional complete 12-hour period they remain without water beyond the notified time for restoration of supply.

Default Standard 5 – Unplanned interruptions to an eligible customer's water supply

If the water supply to an eligible customer's business is disrupted because of a fault with the public water supply system, Scottish Water will restore the supply within 12 hours from the time it finds out about the interruption. If a strategic main (a main with a diameter equal to or greater than 300mm) causes the problem, the water supply will be restored within 48 hours of Scottish Water finding out about the interruption.

If the eligible customer informs the licensed provider (either directly or via the 24 hour number established by licensed providers and Scottish Water) that their supply has not been restored within these time periods:

- The licensed provider shall pay its eligible customer £50; and
- The licensed provider shall pay its eligible customer a further £25 for each additional complete 12-hour period for which the eligible customer is without water.

Default Standard 6 – Water getting into gas systems

If an eligible customer notices water coming from a gas appliance, or if an eligible customer loses its gas supply because water has entered its gas pipe, the eligible customer can call the 24 hour telephone number to be established by the licensed providers and Scottish Water, or it can call its licensed provider. If an eligible customer calls its licensed provider in relation to water getting into a gas system, the licensed provider will promptly telephone Scottish Water to pass the matter on. When Scottish Water returns the licensed provider's telephone call and provides practical advice and explains what will happen next, the licensed provider will promptly telephone its eligible customer to pass that information on.

If the licensed provider does not pass the matter onto Scottish Water or return the eligible customer's call in this way, the licensed provider will pay its eligible customer £20.

Default Standard 7 – Flooding from sewers

If waste water from sewers floods the inside of an eligible customer's property, the eligible customer can call the 24 hour telephone number to be established by the licensed providers and Scottish Water, or it can call its licensed provider. If an eligible customer calls its licensed provider in relation to water from sewers flooding the inside of its property, the licensed provider will promptly telephone Scottish Water to pass the matter on.

Where the eligible customer has called either the 24 hour telephone number established by its licensed provider and Scottish Water or its licensed provider in relation to flooding from sewers, that licensed provider will refund the eligible customer's annual wastewater charge for their property (up to a maximum of £1,000 per flooding event) in recognition of the disturbance. This is providing that the problem is not due to general surface flooding of the area, a defect in the eligible customer's private drains or as the result of the eligible customer's actions.

Scottish Water is required to clear up as quickly as possible any mess within the eligible customer's property directly caused by the overflow of wastewater from the public sewer.

Default Standard 8 – Meter installations

If an eligible customer contacts its licensed provider requesting a water meter to be fitted, the licensed provider will arrange for a survey to be carried out. This will establish if a meter can actually be fitted and if an eligible customer needs to pay anything. The licensed provider will let its eligible customer know within 10 business days what is required to allow a meter to be fitted and what costs, if any, are involved.

If, following a request for a water meter from its eligible customer, the licensed provider fails to contact its customer within the time set out above, the licensed provider will pay its customer £20.

Default Standard 9 - Water Pressure complaints

If an eligible customer has any problems with water pressure to their premises they can contact their licensed provider and the licensed provider will arrange to have the cause investigated and will let the eligible customer know the provisional outcome within 5 business days. If the licensed provider does not contact its eligible customer within 5 business days, the licensed provider will pay its customer £20.

If an eligible customer has contacted its licensed provider regarding any problems with water pressure, that licensed provider will pay its customer £20 if:

- the supply to the eligible customer's premises proves to be of less than 1 bar of pressure measured on the eligible customer's side of the boundary stopcock/stop valve; and
- the low pressure is caused by the supply system.

An eligible customer will only be entitled to this payment once in any 6-month period.

An eligible customer will not be entitled to payment under this standard if its business premises are:

- above the level of the water leaving Scottish Water's storage tank; or
- between the levels of the water leaving Scottish Water's storage tank and a level 10.5 metres below the tank.

Default Standard 10 – Response to emergencies

Despite the best efforts of Scottish Water in maintaining water and sewerage services at all times, customers do sometimes experience a disruption to their service.

Such a disruption may be declared to be an "Emergency" if it is an event:

- governed by The Security and Emergency Measures (Scottish Water) (Scotland) Direction 2002, notified to Scottish Ministers, and which arises in a civil emergency or where there are threats to national security; or
- which results from flooding from sewers or where water gets into the gas system;

and is unable to be addressed using the processes under the Operational Code (other than the process for emergency activities).

If this happens and Scottish Water declares an Emergency (stating that it intends to implement the Emergency Plans it has made to ensure the provision of essential water and/or sewerage services in the event of an Emergency) the following Emergency Minimum Standards of Service will then apply:

1. Following the declaration of an Emergency, a Licensed Provider will, using reasonable endeavours and working in partnership with Scottish Water, promptly contact each of its eligible customers affected by the Emergency. Scottish Water will also inform all eligible customers affected by the Emergency through such methods as:
 - press and broadcast media;
 - loudhailers; and
 - leaflet drops.

Throughout the Emergency, Scottish Water will continue to update both the publicly available information as well as the information specific to Licensed Providers. Licensed Providers will promptly pass on such information to their eligible customers.

2. Scottish Water will provide 'sensitive' customers (such as hospitals, nursing homes and schools) with alternative drinking water supplies to comply with Emergency Plans agreed with the health boards, health trusts and education authorities.
3. In managing an Emergency Scottish Water may require Licensed Providers to ask their eligible customers to generally reduce their demand for water and/or sewerage services. Scottish Water may also require Licensed Providers to carry out such other steps as are documented in the agreed Emergency Plans. In such circumstances, the eligible customer's licensed provider will use reasonable endeavours to carry out any such actions promptly and give its eligible customer as much advance notice as possible.

4. If Scottish Water has no alternative but to restrict an eligible customer's supply to maintain supplies for public health, the eligible customer's licensed provider will give its eligible customer as much advance notice as possible.

Scottish Water will notify Licensed Providers, who will in turn notify eligible customers promptly, when the Emergency has come to an end.

An eligible customer who is directly affected by a declared Emergency can claim if their licensed provider does not deliver these Emergency Minimum Standards of Service. The eligible customer will be entitled to claim at least 5% of their annual water or wastewater charge (up to a maximum of £5,000) and can claim up to 15% of their annual water or wastewater charge if they can show that their loss had a value greater than 5% of its annual water or wastewater charge (again, up to a maximum of £5,000).

Default Standard 11 – Telling eligible customers about default charges

A licensed provider will communicate changes in maximum default tariffs to its eligible customers within 10 business days of approval of those changes by The Water Industry Commission for Scotland (who will publish any such updates on its website). If the licensed provider fails to do this it will pay its eligible customers £20.

Default Standard 12 - Claiming a payment when affected by a declared Emergency

Where an eligible customer wishes to claim sums due from their licensed provider for failing to deliver the Emergency Minimum Standards of Service, they may make such a claim in writing or via the telephone to their licensed provider.

An eligible customer must make any claims against a default standard within 3 months of the event.

Default Standard 14 - SUMMARY

If the licensed provider fails to meet these default standards an eligible customer may be entitled to a payment.

Ref	Standard	Payment without claim?	Payment Level
DSS1	Written or telephone complaints – written response within 8 business days.	Yes	£20
DSS2	Invoice enquiries – in general, respond within 10 business days of initial call.	Yes	£20
	Invoice enquires (change of payment method) respond within 5 business days.	Yes	£20
DSS3	Keep appointments made by the licensee with the customer more than 24 hrs in advance and meet the agreed specified time bracket.	Yes	£20
DSS4	Planned interruptions – warn customers 48hrs in advance, supply restored within stated time. Note: payment is made on failure to warn and/or if supply not restored at stated time.	Yes	£50
	Each 12 hour period beyond time for restoration of supply.	Yes	£25
DSS5	Unplanned interruptions (burst mains etc) – restore within 12 hrs (48hrs for a strategic main supplying a large area).	Yes	£50 + £25 for each subsequent 12 hrs without supply
DSS6	Water into gas mains – licensed provider will pass the eligible customer's report to Scottish Water and return the customer's call	Yes	£20
DSS7	Sewer flooding inside an eligible customer's property, not due to general surface flooding of area, defect in customer's private drain or due to customer's actions.	Yes (on notification of flooding)	Annual waste water charge (max £1,000)
DSS8	Meter installations – the licensed provider will let an eligible customer know of outcome of survey within 10 business days.	Yes	£20
DSS9	Water pressure complaints – must supply a minimum 1 bar. Payment is dependent on Scottish Water confirming low pressure.	Yes	£20
	Inform an eligible customer of outcome of investigation within 5 business days.	Yes	£20
DSS10	Response to emergencies – meet emergency minimum standards of service.	No – claim required	5% - 15% of water or waste water charge, maximum £5,000.

DSS11	Communicate changes to maximum default tariffs within 10 business days of approval.	Yes	£20
General	Failure to pay due default standard payment within 10 business days of qualifying event or claim.	Yes	£20