

## Water Adjudication Scheme Rules

May 26

### 1. General

1.1 Dispute Resolution Ombudsman (DRO) administers the Water Adjudication Scheme (“**the Scheme**”). DRO is a not-for-profit body that is independent of the water industry. The Scheme provides a process for adjudicating unresolved disputes between participating water companies, water and sewerage companies and water supply and/or sewerage licensees (“**the Companies**”) and their “**Customers**”, as defined in section 2 of these Rules.

1.2 Decisions under the Scheme are taken by “**Adjudicators**”: independent persons appointed by DRO to decide on the outcome of disputes dealt with under the Scheme.

1.3 A full list of participating companies appears on DRO’s website.

1.4 The Scheme is free of charge to Customers. Customers have a choice as to whether or not to use the Scheme.

1.5 An application for adjudication can only be made by a Household (“**HH**”) Customer of a water and/or water and sewerage Company if the dispute has not been resolved to the Customer’s satisfaction after exhausting the Company’s complaints procedure.

1.6 An application for adjudication can only be made by a non-household (“**NHH**”) retail Customer of a water supply and/or sewerage licensee if

- the dispute has not been resolved to the NHH retail Customer’s satisfaction after exhausting the Company’s complaints procedure; or
- where a dispute remains unresolved more than 8 weeks after the date on which the Customer referred the dispute to the Company and the dispute remains unresolved.

1.7 An adjudication decision made in a dispute is binding on the Company provided that the Customer notifies DRO or the Company 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 Scheme 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 Customers 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 For the purposes of these Rules, a Customer means:

- a. a person/s who receives water and/or sewerage services provided by a Company in the course of its business as statutory undertaker and/or a statutory licensee (ie. a statutory water supply and/or sewerage licensee), including but not limited to the person/s on whom liability to pay charges for such services would fall; or
- b. a person to whom water and/or sewerage services are provided or are to be provided or who wishes to have water and/or sewerage services provided by the Company in the course of its business as a statutory undertaker and/or statutory licensee, and for the avoidance of doubt, includes companies, developers and self-lay organisations.

2.2 Applications to the Scheme will be accepted from a Customer. If a Customer wishes to nominate a representative to act on their behalf, the Customer must confirm this to DRO.

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 confirm 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.

### **Customers**

2.4 Both HH and NHH Customers can only refer a dispute to the Scheme for adjudication once they have exhausted the Company's complaints procedure.

2.5 HH Customers have six months from the date of the issue of a deadlock letter by a Company, at the end of the Company's complaints procedure, to request an adjudication from the Scheme. DRO has the

discretion to extend this period in exceptional personal circumstances where the HH Customer shows that they were unable to refer their dispute to the Scheme within this period. DRO will consider evidenced significant life events for the HH Customer (including bereavement, severe illness and incapacity) or prior arrangements (including where the Adjudication is issued at a time when the HH Customer is away from their place of residence or where there is an accessibility-related circumstance) that prevent the HH Customer from being able to comply with the mandated response times.

2.6 NHH Customers have six months from the date of issue of a final position letter by a Company at the end of its complaints procedure, or if a dispute remains unresolved 8 weeks after the date on which the NHH Customer referred the dispute to the Company, to request an adjudication from the Scheme. Once an application from a NHH Customer has been accepted by DRO, any previous offers of settlement made by the Company to the NHH Customer will be deemed to have been withdrawn and will no longer be available for acceptance by the NHH Customer.

If the Company and/or the Customer do not provide information within the timeframes set by the Scheme, the Adjudicator appointed under these Scheme Rules will determine the dispute by considering on the information provided where it is reasonably able to do so.

### **3. Scope of the Scheme**

- 3.1 The power to determine whether a dispute falls within the scope of the Scheme rests with DRO. The decision of DRO as to the eligibility is final.
- 3.2 In the event that DRO decides that a dispute is not eligible, DRO 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 including water and sewerage adoption codes;
  - development and new supplies (insofar as they do not fall to be determined by Ofwat);

- mis-selling (NHH retail Customers only);
- 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.

Note: In relation to metering and water supply service claims the Scheme may be used despite a statutory reference to arbitration.

3.4 DRO may reject all or part of 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
- disputes relating to eligibility to transfer to a statutory licensee;
- 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 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;
- resale and third party complaints;
- claims for loss of property value;
- disputes relating to the fairness of contract terms and/or commercial practices;
- disputes concerning allegations of fraudulent or criminal activity;
- disputes that are wholly or partly subject to an ongoing insurance claim, until such time as the insurance claim receives a final outcome or six months have passed since the insurance claim was made, whichever is the earlier;
- any dispute or disputes that are considered by DRO to be frivolous and/or vexatious;
- claims that are above the maximum award limits of the Scheme; and
- dealing with the claim would, in the reasonable opinion of DRO, seriously impair the effective operation of the adjudication process.

3.6 If the dispute is about something that is not covered by these Scheme Rules, the Company can nevertheless agree to use the Scheme, but it does not have to. Acceptance of an application to the Scheme, must be done in consultation and agreed with DRO. 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 applications received by DRO on or after 14<sup>th</sup> May 2026.

4.2 To apply to use the Scheme, the Customer will complete an application and submit key information to DRO.

4.3 If, a NHH Customer seeks an adjudication directly with DRO the NHH Customer will be required to confirm that:

4.3.1 they have a final position from a water supply and/or sewerage licensee; or

4.3.2 it is more than 8 weeks after the date on which the NHH Customer referred the dispute to the Company and the dispute remains unresolved.

4.3.2 In the case of both HH Customers and NHH Customers they 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; (see Section 6 for the relevant limits on compensation)
- an allowance against charges (see Section 6 for the relevant limits on compensation).

Note: In the discretion of the Adjudicator and subject to the overall maximum financial limits the Adjudicator is not bound to simply award only the remedies claimed by the Customer.

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;
- the reasons for requesting the remedy or remedies sought;
- the reasons for the amount of any compensation claimed;

- any relevant supporting documents;
- evidence to support the remedies requested and any amounts claimed.

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.

## **4.6 The adjudication procedure**

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

4.6.2 If DRO 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.

4.6.3 When an application is accepted by DRO, a case reference number will be allocated and communicated to the parties. Both the Customer and the must quote this case reference number in all subsequent correspondence with DRO regarding the case.

4.6.4 The date on which the Company receives the application is Day Zero.

4.6.5 Once the application is deemed to have been received by the Company, the Company has ten working days starting on the working day after Day Zero in which to either:

4.6.6 confirm to DRO 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

4.6.7 send DRO its written response 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 written response to DRO by 23:59 at the end of the last day of the timescale set out at Rule 4.6.5.

## **4.7 Objections and Eligibility**

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

4.7.2 In making an objection, the Company must contact DRO 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.

4.7.3 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 DRO.

4.7.4 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.

4.7.5 If the Company's objection is not upheld, the case will remain active and the timescale set out at Rule 4.6.5 will apply. 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.

## **4.8 The Company's response**

4.8.1 When DRO receives the Company's response, an Adjudicator will be assigned to the case.

4.8.2 If the Company does not submit a response to DRO within the time allowed, DRO will appoint an Adjudicator who will have the discretion to proceed to make a decision considering only the information provided by the Customer.

4.8.3 If a Customer wishes to make any comments on the Company's response, these must be submitted within 5 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, subject to agreement with the Company as to whether it can be considered. Upon receipt of any comments from the Customer, DRO will send a copy of the comments to the Adjudicator and will also send a copy to the Company for their information.



4.8.4 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.

#### **4.9 The Decision**

4.9.1 The Adjudicator will, at their discretion, seek guidance or advice from an independent technical expert. A panel of technical experts has been appointed by DRO to support the Scheme.

4.9.2 DRO aims for decisions to be issued within 25 working days of an adjudication request being received, but this timescale may be extended in exceptional circumstances.

4.9.3 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 noncompliance 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.

4.9.4 Once the Adjudicator's decision is complete, DRO will send copies of the decision to the Customer and the Company.

4.9.5 The Adjudicator's decision will only become binding on the Company if the Customer advises DRO or the Company 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.

4.9.6 If, during the time period specified at Rule 4.9.5, the Customer advises the Company or DRO directly that they reject the decision, or that they do not accept the decision in full, or the Customer fails to contact the Company or DRO during the time period, the Adjudicator's decision will not be binding on either party.

4.9.7 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.

4.9.8 The decision cannot be accepted by the Customer after the expiry of the 20 working day period referred to at Rule 4.9.5, unless the Company agrees. In circumstances where the Company does not agree, the decision will not be binding on either party.

#### **4.10 Setting aside an Adjudicator's decision**

4.10.1 A Customer is entitled to reject an Adjudicator's decision and pursue alternative methods of redress outside the scheme. If the Customer accepts a decision, it will bind the Company except in the circumstances outlined in 4.10.2 – 4.10.9 below.

4.10.2 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 Scheme Rules in making the decision, the Company may apply to DRO for the decision to be set aside.

4.10.3 For the avoidance of doubt, DRO will administer the process for any application to set aside an Adjudicator's decision, and it will make the determination of whether or not to set aside the Adjudicator's decision.

4.10.4 The Company's application to DRO 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 Scheme Rules in making the decision. The Company can attach supporting documents to its application if it so wishes.

4.10.5 The Company's application to set aside the decision must be made to DRO within ten working days of the date on which the decision was sent to the parties.

4.10.6 Upon DRO's receipt of the Company's application for the decision to be set aside, DRO 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.

4.10.7 DRO 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 Scheme Rules in making the decision. DRO 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.

4.10.8 If DRO determines that, the Adjudicator did not act outside of the powers granted under these Scheme Rules in making the decision, the Adjudicator's decision shall stand.

4.10.9 If DRO determines that the Adjudicator acted outside the powers granted by these Rules in making the decision, DRO may, at its discretion, take any of the following actions:

- (a) set the original decision aside; and/or
- (b) if necessary, issue a new decision.

#### **4.11 Compliance with the Decision**

4.11.1 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 4.9.5, the Company

must complete the necessary action(s) within the timescale directed by the Adjudicator.

4.11.2 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 DRO notifies the Company of the Customer's acceptance of the decision.

4.11.3 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 DRO 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.

4.11.4 If the Customer informs DRO that the Company has not made any payment and/or completed the required actions within the timescale set out at Rule 4.11.1 or 4.11.2, or any substitute timescale advised by the Company under Rule , DRO 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, DRO 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, DRO will at their discretion, give notice to suspend or terminate the Company's membership of the Scheme. 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.

## **5. Powers of the Adjudicator**

5.1 The Adjudicator will base final determinations on what is fair and reasonable, having regard to relevant information provided in the dispute by both the Customer and the Company, good industry practice, relevant industry codes of practice and the law. Where, in the opinion of the Adjudicator, the Company has failed to act reasonably and fairly the Adjudicator may make an award in respect of non-financial losses.

5.2 Subject to compliance with the overall timescales set out within the Scheme Rules, the Adjudicator can do the following:

5.2.1 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;

5.2.2 Receive and take account of any evidence the Adjudicator thinks is relevant;

5.2.3 Proceed with the adjudication if either the Customer or the Company does not keep to these Scheme Rules or any instruction or direction made pursuant to these Scheme Rules;

5.2.4 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;

5.2.5 End the adjudication if the Customer and the Company settle their dispute in accordance with the provisions of Rule 4.6.6 before a decision is made;

5.2.6 Determine whether the Company has complied with the decision, in the event that a dispute arises between the parties regarding compliance.

5.3 Without prejudice to Rule 5.6 and subject to the limits set out in Rules 5.4 and 5.5, if the Adjudicator finds that the Customer's claim succeeds in full or in part, he or she can direct the Company to provide any of the remedies specified in Rule 4.3.2.

5.4 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. These limits include any amounts awarded for non-financial loss, which is limited to £2,500 per award. 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.

5.5 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.

5.6 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.

5.7 Subject to the limits set out in Rule 5.4 where in a dispute relating to incorrectly levied charges a Customer requests a payment of interest, the Adjudicator shall award interest at a rate equivalent to the rate applicable under section 69 of the County Court Act 1984 from the date when payment of the incorrect sum was made until the date of the decision.

## **6. Costs**

6.1 No fee will be charged to a Customer for using the Scheme. The subscribing Companies will be responsible for funding the Scheme.

6.2 A Customer may include (subject to proof of loss) claims for incidental costs as part of their 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.

## **7. Other rules**

7.1 DRO will appoint a substitute Adjudicator if the Adjudicator originally appointed is unable to deal with the dispute for any reason. DRO 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.

7.2 With the exception of amending a decision following any minor error, neither DRO nor the Adjudicator will enter into correspondence relating to the content of any decision.

7.3 If the Customer or Company has a complaint about the quality of service provided in the course of the administration of a case, the complaint should be made through the published DRO Complaints Procedure, copies of which are available from DRO. The DRO Complaints Procedure cannot be used to challenge an Adjudicator's final decision, the decision process adopted by an Adjudicator, or the content of these Scheme Rules.

7.4 Please do not provide any original documents if you wish to use them in the future. We do not keep any documents on our premises and all documents sent to us will be disposed of securely

7.5 Any reference in these Rules to working days by definition excludes Saturdays, Sundays and public holidays celebrated in England and Wales.

7.6 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.

7.7 Where a decision has been issued by an Adjudicator, DRO 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.