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[REDACTED]

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Dear [REDACTED]

Water Meters & Rochdale Council

Thank you for your letter of 23 November to the Secretary of State for the Department for Communities and Local Government about the above subject. I have been asked to reply. I apologise for the delay in responding to your letter.

It may be useful if I provide some background information on this matter. The Court of Appeal considered that Rochdale borough Council was able to enter into an agreement with United Utilities to collect and recover water and sewerage charges on their behalf. The full judgment is available online at <http://www.bailii.org/ew/cases/EWCA/Civ/2011/1173.html>

In this agreement, Rochdale Council is acting as a water reseller. Customers of water resellers are households who are not direct customers of the water company but who buy their water from the owner or manager of their accommodation. In these circumstances, it is the landlord that has the direct customer relationship with United Utilities. The landlord receives the bill and passes on the charges to their tenant either as an element of the rent or, more commonly, as part of the service charge. Customers of water resellers are not entitled to approach a water company directly for assessed charges or other forms of bill payment assistance as they have no direct relationship with them.

There is a statutory instrument called the 'resale order'. This establishes that anybody who resells water or sewerage services must charge no more than the amount they are charged by the water company. In addition, the resellers are permitted to charge a reasonable administration charge of between £5 to £10 per customer.

The water reseller must charge for water in one of the following six ways:

- split equally between the purchasers, or in proportion to:
- the number of people in each property
- the rateable value of each property
- the total floor space of each property
- the number of bedrooms in each property
- half the bill according to method 1 (split equally between purchasers) and the other half of the bill according to any one of methods 2-5



In addition to this, if a reseller shares the water supply, they must pay their share of the total bill in line with the rules set out above; the reseller can charge only for the period a customer has lived in that property; and if a reseller charges more than the average bill in your region, they must show that they worked out your bill using one of these methods.

That the water charges are not transparent in customers' bills in this case implies that they are not clear on the basis of which they are being charged. Tenants could ask Rochdale council to provide details of how they have allocated their charges. Helpful information on resale customers' rights and what to ask for are set out here:

<http://www.ofwat.gov.uk/consumerissues/waterresale/>

http://www.ofwat.gov.uk/consumerissues/prs_lft_guidetowresale.pdf

I hope the above information is of assistance to you.

Yours sincerely,


Defra - Customer Contact Unit

