

## **Water Supplies Department's handling of a case of water meter mix-up Investigation Report**

### **The Complaint**

The complainant stated that after she had moved out of her former address (“Flat A”) in June 2022 and applied to the Water Supplies Department (“WSD”) for closure of account, WSD confirmed the termination of her consumer registration, issued a final bill and refunded the deposit balance. Nevertheless, in September 2023, WSD notified the complainant that because the water meters of her flat and a neighbouring flat had been mixed up back in 2019, she was required to pay thousands of dollars after water charge adjustment. In connection with the above, the complainant made the following allegations against WSD:

- (1) After the meter mix-up had occurred in November 2019, WSD already discovered the incorrect meter records in June 2021, but did not notify her immediately. Moreover, she had moved out of Flat A and successfully closed the account in June 2022, but it was not until more than a year later that WSD recovered the charges from her. The situation resulted in her being unable to make a timely request for a review of the meter readings, data or charges, and deprived her of the opportunity and right to verify the matter. She considered that WSD had mishandled the case and was unfair to her.
- (2) It was unreasonable that WSD had delayed for so long in calculating the adjustment but only gave her one month to pay the bill after it was issued. As she was working out of town at the time of complaint, she requested WSD to suspend the case until she returned to Hong Kong in late December 2023, so she could contact WSD personally to resolve the matter. However, WSD did not respond to her request and only asked her to settle the water charge adjustment according to the bill.

## **Our Findings**

### ***WSD's Handling of Cases of Water Meter Mix-up***

2. WSD has formulated internal guidelines on handling cases of meter mix-up resulting in adjustment to water and sewage charges (including the confirmation of mix-up cases, the principles for adjusting water and sewage charges, and the retrospective period). According to the guidelines, before adjusting the water and sewage charges for a meter mix-up case, WSD's Consumer Services Inspector of the respective district must conduct site inspection to confirm the meter numbers and the service premises involved in the mix-up.
3. WSD's Customer Accounts Section will examine the inspector's inspection report and the water meters, compare the past water consumption records of the premises concerned and information provided by consumers to confirm the results of meter mix-up. In the interim, it may need to follow up on the information in the inspection report with the inspector. After verifying the adjusted period and amount of water and sewage charges, as well as correcting the meter records and adjusting the accounts in the computer system, the responsible staff will notify all the relevant registered consumers in writing of the corrected meter numbers and the adjusted water and sewage charges.
4. Since a meter mix-up case involves more than one premises, WSD staff are required to conduct site visits at each premises, compare their water meters and past consumption records, and refer to information provided by consumers (such as any change in the number of water users). Given that the investigation and handling of meter mix-up cases are more complicated and time-consuming than other disputes over water charges, WSD has not set any target time frame for processing such cases.

### ***WSD's Handling of Application for Closure of Account***

5. Upon receipt of an application for account closure from a registered consumer, WSD will input instructions in the computer system to initiate account closure; the computer system will automatically issue a final bill notifying the registered consumer that the account has been closed and all liabilities for water supply to the service address are discharged upon the closing date. In addition, if there are water charges pending adjustment and collection in the account due to meter mix-up, upon receipt of an application for account closure, staff will immediately issue a separate letter notifying

the consumer of the meter mix-up, so that the consumer is aware of the balance to be processed or adjusted in the account.

### ***Response from WSD***

#### **Allegation (1)**

6. Generally, WSD staff will follow the departmental guidelines and issue a letter notifying the consumer of the corrected meter number and the adjusted water and sewage charges after the completion of case investigation, correction of meter records in the computer system, and calculation of the adjustment (see **para. 3**). WSD considers this practice prudent to ensure the provision of complete and accurate information to consumers.

7. Pursuant to section 20 of the Waterworks Ordinance (“the Ordinance”), all charges arising in connexion with or in consequence of a supply shall be payable by the consumer. As this case mainly involves a meter mix-up rather than a defective or malfunctioning meter, the consumer is required by law to pay the full charges of water consumption recorded by the meter. After the meter mix-up was confirmed in June 2021, WSD reviewed the water consumption records of the two flats involved and concluded that the meter mix-up occurred during the meter replacement works in November 2019. In this connection, WSD adjusted the water and sewage charges of the accounts with effect from November 2019 in accordance with the established guidelines. Due to the meter mix-up, WSD’s computer system had suspended issuing water bills to the complainant since May 2021 (Note: the last bill covered the water consumption period from March 2020 to March 2021). Upon completing the investigation, WSD issued a letter in August 2023 notifying the complainant that the meter records had been corrected. To facilitate the complainant’s understanding of the water consumption of Flat A after the correction of meter records, WSD also issued a reply letter in October 2023 providing such data as the meter readings, average daily water consumption, and water and sewage charges of Flat A before and after the meter replacement works (Note: covering the water consumption period from March 2017 to the date of account closure in June 2022) for her reference.

8. Upon receipt of the complainant’s application for account closure, even though there were outstanding bills for water and sewage charges and adjustment arising from meter mix-up in the account, WSD’s computer system still automatically issued a final bill notifying her that all liabilities for water supply to the service address were

discharged upon the closing date. Nevertheless, the water deposit was retained in the account for offsetting the amount payable in the adjustment bill to be issued subsequently. As mentioned in **paragraph 5** above, upon receipt of an application for closing an account, staff should immediately issue a separate letter notifying the consumer of the meter mix-up, so that the consumer will be aware of the balance to be processed or adjusted in the account. However, as this case occurred during the epidemic when WSD was facing enormous challenges in maintaining its daily operations (see **para. 9** for details), the staff concerned failed to take timely action and notify the complainant at the time of account closure.

9. During the epidemic, government departments (including WSD) were required to take part in the community's anti-epidemic measures, with special work arrangements implemented to minimise the risk of spreading the virus. Some of the staff or their family members were required by law to undergo mandatory isolation because of infection, resulting in a shortage of manpower in WSD. To ensure a stable and safe supply of potable water to the public, WSD had to prioritise the processing of applications for taking up or closing accounts, and hence could not handle some non-emergency cases in a timely manner. In addition, to minimise the risk of transmission during the epidemic, WSD reduced the outdoor work of meter readers and relied on estimates to process water bills. Coupled with the change in water consumption habits of the public during the epidemic, WSD received a substantial number of requests for adjustment of water charges (more than 50,000 cases), resulting in the relevant section's staff being overwhelmed by heavy workloads. In this case, apart from handling a substantial number of water charge adjustment cases during the epidemic, the responsible staff had to fully assist in processing applications for taking up or closing accounts, and deploying manpower to cover vacancies and absences in the respective team due to special work arrangements or mandatory isolation. As a result, the staff concerned failed to review relevant information and make timely report to supervisor on the case; the processing time was unduly long and the billing adjustment could not be reflected upon the complainant's closure of account.

10. In sum, after reviewing this case, WSD acknowledged that its case handling was unsatisfactory and apologised to the complainant for the incident on multiple occasions; thoroughly reviewed the procedures for handling meter mix-up cases with the responsible staff; and issued verbal advice to the staff concerned and put it on record. Moreover, WSD has improved the mechanism for handling complaints and instructed all staff to follow up cases in a timely manner to avoid recurrence of similar incidents.

## Allegation (2)

11. As mentioned above, due to the epidemic, WSD was unable to calculate in a timely manner the adjusted water and sewage charges following meter mix-up, to the complainant's annoyance. To facilitate the complainant's understanding of the water consumption after the correction of meter records and to check the bills and payment records, WSD has provided in its reply letter to her further data such as the meter readings, average daily water consumption, and water and sewage charges; and the bills and payment records from the computer system for her reference. Moreover, upon receiving her enquiries about the meter mix-up and billing adjustment, and in consideration of her being out of town, WSD froze the bill and postponed the payment due date on multiple occasions. Given the relatively substantial amount of adjustment, WSD also offered her the option to settle the bill by instalments on multiple occasions.

## ***WSD's Concluding Remarks***

12. As mentioned above, because this case occurred during the epidemic, WSD staff were overwhelmed by the challenges of assisting in anti-epidemic measures and maintaining daily operations. Nevertheless, the staff concerned could not be absolved of the inadequacies in handling the case, which resulted in prolonged processing time and annoyance to the consumer. WSD has reviewed and learned a lesson from the case, reiterated to staff the need for handling cases in a timely manner, and improved the mechanism for following up complaints. In addition to the existing billing system reports, its Customer Accounts Section has requested staff to report the progress of all cases under their charge to unit supervisors on a monthly basis, and unit supervisors to report outstanding cases to section supervisors on a quarterly basis, so as to ensure timely instructions from supervisors on cases in need of attention. As regards meter mix-up cases, WSD issued departmental guidelines to staff in January 2022 for strengthening the checking of relevant documents after meter replacement to further enhance monitoring.

## **Our Comments**

13. WSD has explained its procedures for handling meter mix-up cases and closure of accounts, the sequence of processing the complainant's case and the reasons for taking a longer time to notify her of the adjustment to water and sewage charges.

Having examined the information related to the case, including WSD's internal guidelines and work records, we have the following comments.

### ***Allegation (1)***

14. For meter mix-up cases, WSD's current practice is to notify the affected consumers of the corrected meter numbers and the adjusted water and sewage charges only after completion of case investigation, correction of meter records in the computer system, and calculation of the adjustment (see **paras. 3 and 6**). In other words, WSD was following its established procedures and guidelines in not notifying the affected consumers (including the complainant) of the meter mix-up immediately after confirming it.

15. It is also WSD's responsibility to recover from the complainant (as the registered consumer of Flat A) all charges arising in connexion with or in consequence of a supply pursuant to the Ordinance, including the adjusted amount arising from the meter mix-up. This Office recognises that WSD has not set a target time frame for processing meter mix-up cases on the grounds that the investigation and handling of such cases are more complicated and time-consuming than other disputes over water charges. We also recognise that during the epidemic, the work of various government departments was inevitably affected and delayed. It is understandable that WSD took a longer time in such circumstances to process cases of adjusted water and sewage charges due to meter mix-up.

16. Nevertheless, after examining the information related to the case, this Office considers the incident to have involved deficiencies in both meter mix-up and account follow-up, aggravated by the impact of uncontrollable factors (i.e. manpower constraints due to the epidemic and the need for prioritising tasks), which triggered the complaint. The incident stemmed from WSD mixing up the water meters of the two flats during the replacement works in November 2019. WSD only confirmed the meter mix-up in early June 2021 after a water seepage complaint was received from a lower floor household. However, as this coincided with the epidemic, WSD took a longer time to investigate and calculate the adjustment to water and sewage charges. When the complainant applied for account closure in June 2022 (i.e. about one year after the meter mix-up was confirmed), WSD had not yet completed calculating the adjustment, again due to the epidemic, nor did the staff follow the established procedures to immediately notify the complainant in writing of the meter mix-up and the outstanding adjustment in her account (see **paras 5, 8 and 9**), which was unsatisfactory indeed. Eventually, it

was not until mid-August 2023 that the complainant was first notified of the meter mix-up and the adjustment bill, and was requested to settle the adjusted amount. From confirming the meter mix-up to notifying the complainant of the situation, WSD took more than two years and two months. Even after factoring in the impact of the epidemic and prioritisation of tasks due to manpower constraints, the processing time was still too long. We entirely understand the complainant's dissatisfaction with WSD for taking such a long time to notify her of the meter mix-up and to recover the charges.

17. Overall, we consider WSD to have inadequacies in handling this case (see **para. 16**). With the benefit of hindsight, even if WSD needed a longer time to handle the case due to the special circumstances during the epidemic, it would have been more desirable to first give the affected consumers an account of the meter mix-up, and let them know that they would be notified later (e.g. after the epidemic subsided) in a gradual and orderly manner of the adjusted amounts after rectification of the meters. This would have prevented them from being caught by surprise and aggrieved when receiving the adjustment bills a long time subsequently.

18. We are pleased to note that WSD has taken follow-up and remedial measures about the inadequacies of the responsible staff, and has improved the monitoring mechanism for handling complaints. Regarding meter mix-up, WSD has issued departmental guidelines requiring staff to step up checking relevant documents after meter replacement, thereby further enhancing the effectiveness of monitoring (see **paras. 10 and 12**). Meanwhile, while this Office does not deny that WSD's current practice of handling meter mix-up cases (i.e. notifying the affected consumers after completion of case investigation and calculation of the adjustment) can ensure the provision of accurate information to consumers, we also consider WSD to have the responsibility to notify the affected consumers of meter mix-up as soon as possible, especially when it was indeed an error made by WSD. We therefore recommend that WSD review the existing procedures and guidelines to consider whether a maximum time limit should be set for notifying the affected consumers after a meter mix-up is confirmed, thereby preventing the recurrence of similar incidents.

19. Based on the analysis above, The Ombudsman considers allegation (1) **partially substantiated**.

### ***Allegation (2)***

20. Having examined our findings, including the chronology of events and WSD's work records, we consider WSD, after learning of the complainant's queries and dissatisfaction with the adjustment bill, to have explained the issue to her repeatedly, including the provision of such data as the meter readings, water consumption and water and sewage charges before and after the meter replacement works; it also froze her bill temporarily and extended the payment due date in response to her being out of town when lodging the complaint. However, in replying to her enquiries or complaints, we note that WSD only stressed that she should pay the bill issued in early October 2023 (Note: the payment due date was in late October 2023). We believe that this might have given the complainant a misperception that WSD had not considered her request for suspension of payment and processing of the case. It was only after she had lodged a complaint with this Office that WSD explicitly indicated that the payment due dates would be extended to January and February 2024 respectively.

21. Based on the analysis above, The Ombudsman considers allegation (2) **unsubstantiated but with other inadequacies found on the part of WSD.**

### **Conclusion**

22. Based on the analysis in **paragraphs 14 to 21**, The Ombudsman considers the complaint against **WSD partially substantiated**.

### **Recommendations**

23. The Ombudsman recommends that WSD:

- (1) consider revising the departmental guidelines to specify a time frame for notifying the affected consumers in writing of a water mix-up case after it is confirmed, including that WSD will suspend the issuance of water bills, and will issue notices of billing adjustment to the consumers after completing calculation of the adjusted water and sewage charges; and

(2) remind staff of the need for handling carefully the account enquiries or complaints from registered consumers and to provide clear replies as soon as possible.

## Final Remarks

24. The Ombudsman is pleased to note that WSD has accepted our recommendations in **paragraph 23**. We will continue to follow up with WSD until the recommendations are fully implemented.

## Office of The Ombudsman

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