



How are properties billed for water and sewerage?

Many customers receive their water bill twice yearly and don't think much further into it. They may not consider how the bill has been generated and where the charges have come from. Given this, we thought it would be helpful to provide a summary of the different methods of charging commonly used by water companies and how each is calculated.

Metered

Water meters have quickly become the most common form of charging since they were introduced in 1990 and metering is arguably the most accurate form of billing as it records the exact amount of water usage and bills are produced accordingly. Given the advantages of this, water companies have a statutory right to install a water meter upon change of occupier and it is important to inform your client of this if they are purchasing a property which does not yet have a water meter. Furthermore, when purchasing a CON29DW for a new build property, the results may be returned without charging information. This is because there has not yet been an occupant at the property and therefore it has not been brought onto charge. Within a CON29DW Residential and Commercial report, details of the location of any meter serving the property, be it internal or external, will be identified. Within a commercial report the meter serial number and size will be provided.

Rateable Value

If the property does not have a meter, it is likely that it will be charged by Rateable Value (RV). This is an older way of charging and is based on a poundage rate applied to the RV of the property as of 31 March 1990 with a standing charge. Clients who do not use much water or have a high RV may want to consider changing to a meter as it is not possible to amend the RV figure. Many water companies give the option to trial a water meter for a limited period to see how it affects customers' bills and after this time they can revert to RV if desired. However, if a meter is installed upon change of occupier, the new owner cannot revert to RV.

Within our CON29DW Residential and Commercial reports, you can view the property's charging method in question 3.6. If it is RV, then question 4.4 will reveal the RV figure and the charge for the financial year.

Assessed Charge

In certain circumstances a water company may not be able to fit a meter. Therefore, they will apply a charging method called Assessed Charge. The water company will

estimate the amount of water likely to be used based on the number of occupiers or bedrooms in the property. The way assessed charges are set varies from company to company.

Third Party

In some cases, your client may be buying a property that is billed and supplied via a third party. This is particularly common with flats or apartments. The services are not billed directly to the property owner but to a third party who will then pass the charges on to the owner - in some cases, within their service charge. The charging and supply arrangements can be checked and discussed with the current owner if necessary.

Within our CON29DW Residential, the answers to questions 3.6, 4.2, 4.3, 4.4 and 4.5 of the water and charging sections will be affected by this type of charging.

We hope that this helps you to understand the different types of charging methods. If you would like to find out more about how Wessex Searches can support you and your clients, get in touch today!



e contactus@wessexsearches.co.uk
t 01225 526 206



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