

A guide to Deemed Contracts

Have you been receiving water or sewerage services and haven't been billed?

Has your business recently moved into a new premises?

Have you received notice from a company informing you that they are now supplying you with water or sewerage services?

If you are receiving water or sewerage services in these, or similar circumstances you may be supplied by a Licensed Provider under a "Deemed Contract". For more information, please see overleaf.

The information provided as part of this guide does not constitute legal or contractual advice nor does it address all possible circumstances that may occur. This guide is solely intended to provide a brief overview of "Deemed Contracts" for information purposes and is accurate as of 12 March 2024.

What is a Deemed Contract and when does it apply?

In the Scottish retail market, a Deemed Contract applies when a customer is using water or sewerage services but has not agreed a contract with a retailer (Licensed Provider). The Deemed Contract scheme was established by WICS¹ on the basis of the Water Services etc. (Scotland) Act 2005.

A Deemed Contract may apply if:

- your premises has been identified as a Gap Site² by Scottish Water or a Licensed Provider but you have not yet chosen a Licensed Provider within 15 working days of Scottish Water writing to you;
- you have recently moved into a new premises and have not chosen a Licensed Provider;
- you have been unable to positively agree a new contract with a Licensed Provider; or
- your Licensed Provider has stopped operating within the Scottish retail market and you are re-allocated to another Licensed Provider.

A Licensed Provider will be automatically selected if one is not already allocated and the customer has not made a choice.

The only parties in the Deemed Contract are you and the Licensed Provider that has been given responsibility for collecting your charges.

What will a Deemed Contract contain?

The terms and conditions that will apply during the period of your Deemed Contract with the relevant Licensed Provider (the Deemed Contract Term) are set out in the published scheme, which can be found on the WICS website³.

In order to protect customers, under a Deemed Contract, a customer cannot be charged more than the default maximum tariff and must be given at least the default minimum level of service (regardless of the location or size of their business). When a customer is supplied under a Deemed Contract, its Licensed Provider will confirm that the default maximum tariff will be applied. The default maximum tariff and default service levels are set by WICS annually and can be found on the WICS website⁴.

The Deemed Contract will also state how you can be billed and the minimum frequency of billing.

What will I be charged for under a Deemed Contract?

In some circumstances, you will be charged for any period during which you received services but were not billed for those services. Charges will be based on the default maximum tariff set by WICS annually. The Licensed Provider will notify you of the charges that you must pay and your invoice will clearly state that the contract with the Licensed Provider is governed by the Deemed Contract.

You will then be invoiced for the relevant water and sewerage charges, including drainage charges (where applicable).

What are my rights and obligations while under a Deemed Contract?

You are responsible for paying the Licensed Provider any outstanding charges for the services you have used. This applies to occupied and vacant⁵ properties alike. If you want to challenge the services you have been billed for then **you must contact your Licensed Provider immediately** to discuss this.

You also have the right to switch to another Licensed Provider at any time if you do not wish to stay with your current Licensed Provider. However, you may have to pay any outstanding charges before you are free to do so.

How do I move on from a Deemed Contract?

Should you seek a better deal or an alternative arrangement, you should contact your Licensed Provider to positively agree a new contract or visit www.scotlandontap.gov.uk to find out more information about switching to another Licensed Provider. This may give you access to a better deal or additional services such as flexible payment options or help with saving water to reduce your bills.

However, should you be unable to positively agree a new contract, you have the right to remain on a Deemed Contract.

This guide was originally developed by WICS in collaboration with Citizens Advice Scotland. This revised leaflet has been updated by WICS with advice from Consumer Scotland⁶. WICS and Consumer Scotland cannot provide legal, contractual or financial advice regarding individual circumstances.

1 See page <https://wics.scot/what-we-do>

2 See page <https://scottishwater.co.uk/en/Business-and-Developers/Business-Customers/Gap-Sites>

3 See page <https://wics.scot/publications/retail-market/customer-information/guide-deemed-contracts>

4 See page <https://wics.scot/publications/retail-market/default-tariffs>

5 See page <https://mygov.scot/water-charges-vacant-properties>

6 See page <https://consumer.scot/about-us/>

Please visit
www.scotlandontap.gov.uk
for more information about Licensed Providers in the
Scottish retail market and how to switch