

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0681

Date of Decision: 04 April 2018

Complaint

The customer states that the company caused him significant distress by sending him a letter threatening court action over a debt that he had told the company he did not believe was owed, while he was waiting for a return call from the company.

Defence

The company acknowledges that there were customer service failings with respect to the customer's account, but argues that the customer has nonetheless been billed correctly.

The company has offered to credit the customer's account with the full £214.39 owed, but this has been declined.

Findings

The company failed to provide its services to the customer to the standard to be reasonably expected by the average person by sending the customer a letter threatening court action on the basis that the customer had not contacted the company, when he had done so and was waiting for a return call from the company, with respect to a bill that was overdue by less than a month when the customer contacted the company.

Outcome

The company needs to take the following further action:

The company must pay the customer compensation of £500.00 for failing to provide its services to the customer to the standard to be reasonably expected by the average person.

The customer must reply by 2 May 2018 to accept or reject this decision.

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ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0681

Date of Decision: 04 April 2018

Party Details

Customer: _____

Company: _____

Case Outline

The customer's complaint is that:

- He contacted the company on 28 October 2017 as he had received a notification that he was in debt on his account, but he believed that he was up to date in his payments.
- He was told that he would receive a return call, but this was not done.
- He then received a debt collection notice from the company threatening legal action.
- It became clear that the company had billed him twice on one occasion, and then refunded one payment.
- He states that this left him unaware that there was a payment owing on his account.
- The company offered him a £25.00 payment as a gesture of goodwill, but this was declined.
- The company subsequently increased its gesture of goodwill to £214.00, representing the full amount owing on his account, but this was declined.
- The customer requests that the company not promise to make return calls, fail to make them, and then send letters threatening legal action; and that the company pay compensation of £700.00.

The company's response is that:

- It sent the customer a bill of £412.60 on 10 February 2016.
- On 17 April 2016 two payments were made online for £206.31 each.
- The company has since identified that this double payment resulted from a system error, rather than from an error by the customer.

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- The customer contacted the company on 23 April 2016 to request a refund of the second payment, in the amount of £206.31.
- This refund was processed by the company on 25 April 2016, and the cheque was cashed on 5 May 2016.
- The company acknowledges that it did not send reminders in September, or subsequently, that another payment on the account was required, although sending such reminders was its standard practice.
- On 16 February 2017 the company sent the customer a bill for £635.09, which included new charges of £428.80 and the overdue amount of £206.29.
- The company sent the customer a reminder on 3 May 2017 that a payment of £420.70 was overdue, composed of £214.41 from the current bill and the £206.29 overdue from the previous bill.
- On 8 May 2017 the customer made a payment of £420.70.
- On 6 September 2017 the company sent the customer a reminder that a further payment was due on 1 October 2017 of £214.39.
- On 24 October 2017 the company sent the customer a reminder that £214.39 remained outstanding on his bill.
- On 28 October 2017 the customer contacted the company to explain that he believed he had paid his bill in full in May.
- The company acknowledges that the customer was promised a return call, and that this call was not made.
- It emphasises that while certain mistakes were made in communications with the customer, and with respect to the initial double payment, the customer has nonetheless been correctly billed, and this billing was explained to the customer.
- The company has offered to credit the customer's account with the full £214.39 owed, but this has been declined.

The customer states in his comments on the company's response that:

- He reiterates that the bill sent by the company on 3 May 2017 was confusing, and emphasises that he paid the amount of £420.70 in the belief that this constituted a full payment of the amount owing at that time.
- He emphasises the severe stress and anxiety that he and his partner suffered as a result of the threat of legal action that he received.

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How is a WATRS decision reached?

In reaching my decision, I have considered two key issues. These are:

1. Whether the company failed to provide its services to the customer to the standard to be reasonably expected by the average person.
2. Whether or not the customer has suffered any financial loss or other disadvantage as a result of a failing by the company.

If the evidence provided by the parties does not prove both of these issues, the company will not be directed to do anything.

I have carefully considered all of the evidence provided. If I have not referred to a particular document or matter specifically, this does not mean that I have not considered it in reaching my decision.

How was this decision reached?

1. In his comments on the company's response, the customer acknowledges that the company has billed him correctly, and on the basis of the evidence provided I find that this is correct.
2. The customer's remaining complaint concerns the company's actions in attempting to recover the remaining payment due on his account.
3. It is clear from the documentation provided by the company that the customer was contractually obligated to make a payment of £214.39 and did not do so.
4. It is this amount with respect to which the company initiated collection action, as the customer had paid his missed 2016 charge of £206.29 in May 2017.
5. The company contacted the customer about this overdue payment on 24 October 2017, and it acknowledges that the customer contacted it only 4 days later, on 28 October 2017, to question whether such a payment was indeed due, as he believed he had already fully paid his bill for the year.

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6. The customer states that during this phone call he was promised a return call, and the minimal notes made regarding this call by the company's representative do not contradict this statement. Therefore, on the balance of the evidence available to me I find that the customer was promised a return call to discuss the amount owing on his bill during the 28 October 2017 call.
7. The company acknowledges that no return call was made.
8. Nonetheless, on 17 November 2017, approximately two weeks later, the company sent the customer a letter stating that a payment of £214.39 was "extremely overdue", that it had not heard from the customer about this amount, and that unless payment was made or the customer made contact with the company court action would be initiated.
9. Of course, the customer had already contacted the company on 28 October 2017, as the company's records show.
10. Moreover, while the company's letter of 17 November 2017 describes the payment missed by the customer as "extremely overdue", as did the company's letter on 24 October 2017, according to the bill sent to the customer on 16 February 2017 the payment in question was not due to be paid until 1 October 2017.
11. While I accept that the company has billed the customer correctly, and that some elements of the customer's lack of clarity on the amount that he owed was the customer's own responsibility, nonetheless the company has a responsibility to ensure that it is acting correctly when it takes the significant step of sending a customer a letter threatening legal action, given the significant distress that such a letter will unquestionably cause. This is particularly so given the billing problems on the customer's account, of which the company was aware, and for which the company acknowledges it was partially responsible.
12. In the present case, the company sent a letter threatening court action on the ground that the customer had not contacted the company, when he had done so, with respect to a bill that was overdue by less than a month when the customer contacted the company, and I accept the customer's testimony that this letter caused him significant distress. This is particularly so because the letter in question expressly states that the company will not contact the customer again before commencing court proceedings.

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13. Given that the customer had contacted the company immediately upon receiving the company's previous communication, and was waiting for a response by the company, I find that the company did not exercise appropriate care in taking the step of threatening legal action, and thereby failed to provide its services to the customer to the standard to be reasonably expected by the average person.
14. The company has offered to discharge the customer's bill as compensation, in the amount of £214.39. However, the compensation owed by the company relates to the distress experienced by the customer because of the manner in which the company attempted to collect an amount owed by the customer, not to the accuracy of the company's billing of the customer. There is, therefore, no reason why this compensation should be measured by the amount of money that the company was claiming from the customer.
15. The customer has referred to the WATRS Guide to Compensation for Inconvenience and Distress, and specifically to a case in which a customer was awarded compensation of £700.00 for billing errors over several years. However, in the present case the bill presented by the company was accurate, and the threat of imminent legal action that underlies the customer's right to compensation did not extend over several years.
16. Therefore, on the basis of the specific facts in this case, considering both the significant distress that I accept the threat of imminent legal action will have caused to the customer, and the comparatively limited period over which this threat was being made, I find that compensation of £500.00 would be fair and appropriate for the company's failure to provide its services to the customer to the standard to be reasonably expected by the average person.
17. Consequently, the company must pay the customer compensation of £500.00 for failing to provide its services to the customer to the standard to be reasonably expected by the average person.

Outcome

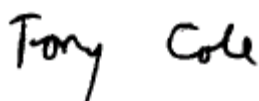
The company needs to take the following further action:

The company must pay the customer compensation of £500.00 for failing to provide its services to the customer to the standard to be reasonably expected by the average person.

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What happens next?

- This adjudication decision is final and cannot be appealed or amended.
 - The customer must reply by 2 May 2018 to accept or reject this decision.
 - If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date on which WATRS notifies the company that you have accepted my decision. If the company does not do what I have directed within this time limit, you should let WATRS know.
 - If you choose to reject this decision, WATRS will close the case and the company will not have to do what I have directed.
 - If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.
 - If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision.
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Tony Cole, FCI Arb

Adjudicator

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