

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0683

Date of Decision: 9 May 2018

#### Complaint

The customer submits that he should be entitled to compensation for stress and inconvenience in the sum of £2000.00 as a result of the company incorrectly setting up an account in his name, applying charges to it and placing a payment default notice on his credit file when he did not pay the bills. The customer does not dispute that the company eventually rectified the incorrect charging and payment default notice issues. However, it only offered him £250.00 in compensation for its failures. The customer is not satisfied with this compensation payment.

#### Defence

The company accepts that it set up an account in the customer's name, applied water service charges to it and placed a payment default notice on his credit file when he did not pay the bills. The company further accepts that, in light of the circumstances, it did not provide its services to the standard that the customer was entitled to expect. In particular, the company submits that following the customer's first contact in November 2017, it failed to properly recognise the specific circumstances of the situation and that remedial action needed to be taken. The company has offered a settlement of £250.00 in recognition of its failures but does not accept that the customer is entitled to £2000.00.

#### Findings

I am satisfied that a failure to provide the company's services to the standard to be reasonably expected has been established and that the customer did experience a degree of stress and inconvenience as a result of this issue. I am therefore satisfied that the company should provide the customer with compensation in the sum of £250.00.

#### Outcome

The company shall provide the customer with compensation in the sum of £250.00.

The customer must reply by 7 June 2018 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

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Date of Decision: 9 May 2018

## Party Details

Customer: [ ]

Company: [ ]

## Case Outline

### **The customer's complaint is that:**

- In 2015, he was sub-renting a room in a flat (under a verbal agreement) from the registered Tenant.
- The customer submits that he had no direct agreement with the Landlord of the flat and was not responsible for any utility payments.
- The customer submits that the company incorrectly set up an account in his name and started applying water services charges for the flat to this account.
- The customer did not pay these charges and the company registered a default on the customer's credit file.
- The customer complained to the company and it eventually cancelled the charges and removed the default notice on his credit file. However, the customer is now claiming £2000.00 for the stress and inconvenience caused by this issue.
- The customer submits that the company has offered him £250.00 in recognition of the inconvenience that may have been experienced as a result of this issue. However, the customer continues to pursue a payment of £2000.00 from the company.

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### **The company's response is that:**

- In 2015, it created an account in the customer's name and applied charges for water services provided to the flat (covering the period of 31 October 2014 to 31 March 2016).
- It registered a payment default on the customer's credit file on 30 August 2015 as the customer did not pay the bills.
- The customer's first direct contact with the company was in November 2017 when he stated that he was not responsible for the utility bills at the flat and explained his sub-rental situation.
- The company submits that in December 2017 it corrected the issue by cancelling the charges in the customer's name and removing the payment default on his credit file. It explained that it had obtained the customer's details from a credit reference agency (as he was a registered occupant of the flat) and it continued to raise charges on the account because the customer did not respond to the letters and bills it sent to him.
- The company accepts that the service provided to the customer in relation to this issue was not to the standard that he was entitled to expect. In particular, the company acknowledges that it failed to properly recognise the specific circumstances of the situation when the customer first contacted it in November 2017 and it failed to realise that remedial action needed to be taken.
- The company submits that it has offered the customer compensation in the sum of £250.00 in recognition of its failures but does not accept that it should pay £2000.00 to him.

### **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.

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### How was this decision reached?

1. It is evident from the papers that the crux of this dispute lies with the customer's assertion that he is entitled to compensation for stress and inconvenience in the sum of £2000.00 as a result of the company incorrectly setting up an account in his name, applying charges to it and placing a payment default notice on his credit file when he did not pay the bills. The customer does not dispute that the company ultimately rectified the issue and offered him £250.00 in compensation. However, he does not accept that this is sufficient compensation.
2. I must remind the parties that adjudication is an evidence-based process and it is for the customer to prove that the company has failed to provide its services to the standard that would reasonably be expected of it; and that as a result of this failure, they have suffered loss/disadvantage.
3. I also draw attention to the fact that in accordance with rule 5.4.3 of the scheme rules, any new matters or evidence introduced at the comments stage must be disregarded by the adjudicator. I will proceed accordingly.
4. It is not disputed by the parties that the company had set up an account in the customer's name, applied water service charges to it and placed a payment default notice on his credit file when he did not pay the bills. The company accepts that the service it provided was not to the standard the customer was entitled to expect. In particular, the company accepts that following the customer's first contact in November 2017, it failed to properly recognise the specific circumstances of the situation and it failed to realise that remedial action needed to be taken.
5. Furthermore, based on the evidence provided, I note that it appears to have taken an intervention from the customer's local Member of Parliament for the company to examine the issue in depth and take remedial action. Accordingly, in light of all the above, I am satisfied that the company did fail to provide its services to the standard to be reasonably expected under the circumstances and I am also satisfied that the customer would have experienced a degree of stress and inconvenience as a result of this failure. However, under the circumstances, I am also mindful that it took some time for the customer to directly raise this

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issue with the company. I therefore bear in mind that this would have been a contributory factor to the timeframe for which this issue persisted.

6. I note it is not disputed that the company eventually addressed the customer's complaint issues in December 2017 by cancelling the charges and removing the payment default from the customer's credit file. However, taking into account the nature and extent of the company's failure and the time and effort taken to resolve the matter (and the reasonable degree of stress and inconvenience that would have been experienced as a direct result of this issue), I find that it is fair and reasonable for the company to provide the customer with compensation in the sum of £250.00.
7. Consequently, upon review of all the evidence provided by the parties at the time of adjudication, I find that a failure to provide the company's service to the standard to be reasonably expected has been established (as detailed above) and I therefore find it fair and reasonable to direct that the company provides the customer with compensation in the sum of £250.00. I am not objectively satisfied that any further compensation is warranted under the circumstances.

#### **Outcome**

The company shall provide the customer with compensation in the sum of £250.00.

### **What happens next?**

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 7 June 2018 to accept or reject this decision.
- When you tell WATRS that you accept or reject the decision, the company will be notified of this. The case will then be closed.
- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision.



**E. Higashi** LLB (Hons), PGDip (LPC), MCI Arb.

**Adjudicator**

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