

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0779

Date of Decision: 17 May 2018

Complaint

The customer submits that his Experian credit report incorrectly records that he has a credit agreement with the company. The additional credit account has resulted in his credit score being downgraded from 'excellent' to 'good'. The company agrees that he does not have a credit account with it in relation to his payments made for its water services, however it is unwilling to contact Credit Reference Agencies to clarify this and to ensure the incorrectly displayed data is amended. The customer submits that the company has been "rude" in the manner it has dealt with this matter. He requests that the company write to the relevant Credit Reference Agencies and pay him £100.00 in compensation for his time spent on this matter.

Defence

The company submits that it is authorised to report data to Credit Reference Agencies relating to its customers' payments however it reports this data as 'utility', which is a non-credit agreement. It submits that Credit Reference Agencies are fully aware of this. It denies that it is reporting the customer's account data incorrectly or that it is providing misleading information. How Credit Reference Agencies exhibit data is outside of its control. It has explained its position to the customer on numerous occasions and it denies that it should have to provide the remedies sought.

Findings

The company has shown it has reported the customer's payments to Credit Reference Agencies correctly and whilst the company appears in a list under the title 'Your credit account', in the customer's credit report, its status as a utility is also shown. As the original information it has supplied to Experian is correct, the company is not under any obligation to take action to correct any third party error/misinterpretation, despite this relating to data it has provided. Further, as I am satisfied the company reasonably sought to address the customer's concerns raised, in its responses, there is no evidence of the company failing to provide its services to the customer to the standard to be reasonably expected by the average person.



The company does not need to take any further action.

The customer must reply by 15 June -2018 to accept or reject this decision.

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Party Details

Customer: []
Company:.[]

Case Outline

The customer's complaint is that:

- The Credit Reference Agency (CRA), Experian, informed him that his credit score had been reduced from 'excellent' to 'good' because there were two additional credit accounts. His Experian credit report incorrectly shows that he has a credit account with the company in respect to addresses 1 and 1a []. He has no credit agreement with the company and the company agrees.
- Whilst he accepts that the company has not incorrectly reported to the CRA regarding a credit agreement, the CRA has misinterpreted the data the company has provided about his payments made in respect to water services.
- The company has refused to contact Experian in order to clarify that he does not have a credit agreement with it in order that the entry is corrected.
- The customer requests that the company send a letter to all relevant CRAs explaining that he does not have a credit agreement with it.
- The customer submits that the company has been "rude and truculent" and requests that it pay him £100.00 in compensation for his time spent on this matter so far (over 4 hours), including £10.00 he incurred on postage.
- In his Reply, the customer asserts that it is due to the quality of the data provided by the company that it has been misinterpreted by the CRA.

The company's response is that:

- According to its records the customer owns two properties; 1 and 1a []and as the occupier of the properties, under the Water Industry Act 1991, the customer is liable for its charges levied.
- Its practice of sharing data and participation in Credit Account Information Sharing ('CAIS') with CRAs regarding its customers' utility accounts, was approved in 2010 following discussions between water companies, OFWAT and the Information Commissioner's Office ('ICO'). Data sharing is used for identity verification (prevention and detection of fraud), or, more commonly across financial organisations, for making decisions regarding provision of credit services.
- Utility accounts, such as the customer's ABC Water account, are accepted as accounts that can be subject to data sharing. Therefore, it denies that it reports its data as a credit agreement; rather, it reports data to CRAs as 'utility', which is a non-credit agreement. It has explained to the customer that it reports as a utility and not as a credit agreement, on numerous occasions.
- Where customers' payments are made on time, the sharing of information about the regular payment of water bills will contribute positively towards building a credit history, particularly for customers who are not financially active in other credit services.
- Where customers' payments are not made on time, this may have a negative impact on their credit score and could cause customers to be refused credit.
- As agreed with the ICO, it has provided to the customer a copy of the Privacy Clauses clearly stating how the data will be reported with CRAs.
- In regards to the customer's utility account, it has been reporting the status of this since August 2014. It is and always has, reported the status of the customer's account 12[] (1 []) as zero with a zero outstanding balance. This indicates that the customer has no outstanding debt over 42 days old and/or that there is a payment arrangement in place with the company. In respect to the customer's account 15[] (1a []), it has reported the status as zero with a credit balance of £10cr. This indicates that the customer has no outstanding debt over 42 days old, (which is correct as the account is in credit by £10) and/or that there is a payment arrangement in place with it.
- Therefore, it denies that it is reporting the customer's account data incorrectly or providing misleading information to CRAs; the status of the customer's account has been reported accurately and correctly on a monthly basis. Further, it denies the claim that the customer's credit score has been reduced from 'excellent' to 'good' as a result of its reporting; the customer

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has provided no evidence of this. It is not party to the reasons why the customer's credit score may have been reduced, this is a third party issue between the customer and Experian.

- As there is an agreement in place between it and CRAs, CRAs are fully aware that it is a utility and that there is no credit agreement. It is not party to how CRAs display the information it provides.
- Therefore, it denies that CRAs are misinterpreting the status of the customer's account as alleged. The reported data on the status of the customer's account is true and accurate and, as stated above, is being reported as zero which is positive.
- The company asserts that it is unable to direct that CRAs remove references, as sought. In accordance with DPA 1998, it is under an obligation to report personal data accurately and furthermore, it would be in breach of its contractual arrangements with CRAs if it were to remove reporting.

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. I remind the parties that adjudication is an evidence-based process and it is for the customer to show that the company has not provided its services to the standard that would reasonably be expected of it. Furthermore, it is up to the customer to clearly set out and prove their claims on a balance of the evidence.

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- 2. The dispute concerns the company's reporting of data to CRAs regarding the payments received from the customer. The crux of the complaint is that the customer's Experian credit report incorrectly reflects his water accounts with the company as credit agreements (in respect to addresses 1 and 1a []).
- 3. It is evident that the company does not provide its services to customers under any contractual agreement it has with them, rather it supplies water services under a statutory requirement. I accept that the company has relevant authority to report data in respect to its customers' payments for their water bills and also that this is set out in its Privacy policy.
- 4. The customer accepts that the company has not wrongfully reported data, but he asserts that due to his payments for the company's services appearing as "credit agreements" in his credit report, his credit score reduced from 'excellent' to 'good'. The customer requests that the company notify all relevant CRAs that his payments made are not via any credit agreement he has with the company. The company denies it should be liable to provide the action sought on the basis that it has always correctly reported the customer's payments (for his water bills) and CRAs are already aware that it reports as a utility, which is a non-credit agreement.
- 5. At this juncture, I remind the parties that I am only able to consider complaints against members of WATRS and disputes with third parties, including CRAs, fall outside the remit of this adjudication process. Therefore, I am unable to make any findings on the actions of third party companies not party to this adjudication process. However, it appears that in the customer's case, he seeks that the company take appropriate action that he feels will lead to the amendment of the information in his Experian credit report, which he deems is currently incorrect.
- 6. In regards to the customer's submission that his payments to the company are exhibited in his credit report to reflect as though he has a credit agreement with the company, I find this is unclear from the extracts of customer's Experian credit report, as supplied at Appendices 19 & 20 of the Defence. However, based on the extract of the customer's credit report in the CCW bundle, which includes the company's name in a list under the title 'Your credit account', I accept that the customer's payments to the company have been displayed in a manner to suggest he has a credit agreement with it. Therefore, on balance I accept the customer's

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submission stating the same. As to the customer's claim that this has resulted in a downgrading of his credit score, I have not been provided of any evidence of this.

- 7. I am mindful of the evidence that demonstrates that the company has reported the customer's payments to CRAs correctly in respect to both 1 and 1a [] and I find that the customer does not dispute this. As to whether the company is liable to assist the customer by contacting Experian and any other relevant CRA to clarify that the data it reports is as utility, which is classed as 'non-credit agreement', the company submits that CRAs are already aware of this due to their participation in CAIS. Whilst the company has not supplied any specific evidence in support of its submission, I am satisfied from the extracts of the customer's credit report (as supplied at Appendices 19 & 20 of the Defence), that the company is categorised as 'utility' as after 'company type', the word 'utility' is stated.
- 8. Moreover, as there is a lack of evidence that the original information provided by the company has been incorrect, I am unaware of it being under any obligation that would require it to take action to correct an error/misinterpretation that has been made by a third party, despite this relating to data it has provided. I accept that the company has no direct control over this. Therefore, I find that any such action to assist the customer, would be discretionary on the part of the company.
- 9. I am satisfied that the company has issued responses to the customer's letters dated 22 December 2017, 13 January 2018, 20 January 2018, 28 January 2018, and 9 February 2018, reasonably promptly. Furthermore, I find that its responses demonstrate that the company has reasonably sought to explain the basis of its reporting as well as addressing the concerns raised by the customer in his complaints.
- 10. In light of my above findings, there is insufficient evidence that the company has failed to provide its services to the customer to a reasonably expected standard in relation to the disputed issue, therefore it is not liable to provide the customer with the remedies sought.

Outcome

The company does not need to take any further action.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 15 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.

A. Jennings-Mitchell, BA (Hons), DipLaw, PgDip (Legal Practice), MCIArb **Adjudicator**