

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1827

Date of Decision: 28 February 2020

#### Complaint

The customer's complaint originates from a County Court Judgment (CCJ) that the company obtained against him. The customer considers that, in dealing with him regarding the CCJ and other alleged debts, the company failed to provide him with clear and consistent information and failed to respond to his calls, which caused him considerable stress and inconvenience. The customer considers that the company should write off the bills relating to his previous addresses. Alternatively, he claims £1,500 compensation for distress and inconvenience.

#### Defence

The company accepts that the the CCJ was the result of a judgment in default that was incorrectly obtained as the claim was not properly served. However, it states that it has applied to set the CCJ aside and has cancelled the underlying charges. It in any event does not consider that an adjudicator is able to deal with a dispute about this judgment under the WATRS Rules. In respect of the other outstanding sums, the company considers that these are properly due. It accepts that it has been responsible for some failures in communication but states that it has paid the customer a goodwill gesture of £25 in respect of these, and does not consider that any further compensation is justified.

#### Findings

While I accept that I cannot make any decision in respect of a dispute that is the subject of a CCJ unless and until the judgment has been set aside, this does not prevent me from reaching a decision about the company's surrounding conduct when the customer contacted it to try to resolve the situation regarding the CCJ and the other alleged debts. I find that the company provided contradictory information to the customer, and failed to keep proper records and to respond to his requests for information, meaning the customer had to repeatedly chase this. As compensation for the distress and inconvenience suffered by the customer, the company should write off the customer's allegedly outstanding debts.

#### Outcome

If the customer accepts this decision, the company must, within 20 working days of receipt of the acceptance (1) take all necessary steps to cancel any charges due from the customer in respect of his previous residence at Flat 1 [ ] and 2 Church Street, and to ensure that no further actions are taken against the customer by any third parties that have been instructed to collect these debts; and (2) confirm to the customer in writing that it has done this.

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The customer must reply by 27 March 2020 to accept or reject this decision.

## ADJUDICATOR'S DECISION

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Date of Decision: 28 February 2020

### Party Details

**Customer:** [ ] (customer)

**Company:** [ ] (company).

### Case Outline

#### **The customer's complaint is as follows:**

- The customer explains that he discovered, in June 2019, that the company had registered a County Court Judgment (CCJ) against him, relating to an address that he lived at until 2014.
- He attempted to resolve the situation with the company, but he considers that the company failed to communicate with him and failed to take his complaint seriously.
- He states that when he initially contacted the company, he was told that the charges would be reversed, although it later turned out that they had not been. He called the company a number of times and was never called back when they promised, and the advisors did not do what they promised to do.
- During the course of these discussions, the company informed the customer that he had further sums outstanding at a different address, although the customer considers that these sums had already been paid. The customer wanted to settle all outstanding amounts because he did not want them to affect his credit record, but he was unable to get clarity from the company about what sums were owed, in respect of which addresses and which time periods. He considers that the company did not make sufficient effort to contact him before instructing debt collection agencies (UK Search and Orbit), and he was unable to clarify with the debt collection agencies or with the company itself what properties the debts related to.

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- The customer made a subject access request on 27 September 2019, asking the company to provide all information it held on him and his previous accounts, in order to attempt to understand the company's position. He states that the company did not provide him with the information he requested.
- On 22 November 2019, the company wrote to the customer setting out the information that it had regarding the dates on which he lived at various addresses, as follows:

Account Number	Address	Tenure
22[ ]33	[ ]	16/08/2019 to Present
30[ ]48	[ ]	01/04/2019 to 08/10/2019
21[ ]39	[ ]	21/11/2018 to 31/03/2019
21[ ]79	[ ]	19/06/2015 to 17/07/2016
13[ ]72	[ ]	22/07/2014 to 20/07/2015
13[ ]65	[ ]	01/04/2013 to 19/07/2014

- The customer disagrees with the company's view on the dates during which he was resident at various addresses and considers that their misunderstanding about the dates he had lived at various addresses meant that the company is incorrect about the charges outstanding.
- The customer states that attempting to resolve this matter has caused him stress and lost sleep over a number of months.
- The customer requests an order that the company write off the bills relating to his previous addresses, and that all actions by third parties be stopped. Alternatively, he claims £1,500 compensation for distress and inconvenience.

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

- The company contests the customer's claim.
- In its defence, it submits that the amounts outstanding from the customer are as follows:

Account Number	Address	Tenure	Outstanding Balance
22[ ]33	[ ]	16/08/2019 to Present	£18.87 Credit

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30[ ]48	[ ]	01/04/2019 to 15/08/2019	£235.54
21[ ]39	[ ]	21/11/2018 to 31/03/2019	£0.00
21[ ]79	[ ]	19/06/2015 to 17/07/2016	£0.00
13[ ]72	[ ]	22/07/2014 to 20/07/2015	£237.73
13[ ]65	[ ]	01/04/2013 to 19/07/2014	£419.37

- The company accepts that it obtained a CCJ by default against the customer in respect of his charges for 6 Green Street, and that the judgment in default was incorrectly obtained as the claim was not served on the customers' usual or last known address. The company confirms that it has therefore applied to set the judgment aside, and that it will waive the charges that it believes are outstanding in respect of this address (6 Green Street).
- However, the company also submits that under Rule 3.5 of the WATRS Rules, an adjudicator does not have jurisdiction to deal with disputes that are the subject of a court judgment, unless or until the judgment is set aside.
- The company explains that the customer first contacted it on 17 July 2019 to ask if he had any outstanding debt with the company. At that time, the company told the customer that he had a balance outstanding for [ ] of £419.37 that it had sent to a debt collection agency, UK Search. The company agreed that it would arrange with its debt collection team for the debt to be brought back to the company so the customer could set up a payment plan.
- Then, on 22 July 2019, the customer had a webchat with the company in which the company's representative told the customer that this debt had been cancelled. The customer then called the company's Customer Support Team and was told that they were still awaiting an update from the company's debt collection team regarding the debt. The company later told the customer that it had put the debt back on the customer's account, and requested the customer to contact it to set up a payment plan, which he did not do.

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- The customer then emailed the company on 27 September 2019, asking for information about the charges that were outstanding. The company states that it asked the customer for further details of his request on 10 October 2019, but that it did not receive these.
- The customer then complained to CCWater on 11 November 2019. Following this, there were several exchanges between the company and the customer concerning the correction of the dates he had lived at various addresses.
- The company states that the customer's complaint has been challenging because the customer has lived at a number of different addresses. However, it considers that the services charges that it has raised are correct based on the information that it held about the dates that the customer occupied various properties. The company states that it sent a number of letters to the customer about his outstanding balances at the time he was living at these properties and that it made "multiple attempts" to contact the customer before taking debt recovery action (although the company does not give details of these letters or provide copies).
- In respect of the customer's claim for distress and inconvenience, the company acknowledges that there have been times when it has not called the customer back when promised, and when the customer has had to chase it for information. The company also acknowledges that it has provided the customer with conflicting information regarding his outstanding balances. However, it states that it has apologised to the customer and awarded him a goodwill payment of £25, and it does not consider that any further compensation is justified.

### 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.

In order for the customer's claim against the company to succeed, the evidence available to the adjudicator must show on a balance of probabilities that the company has failed to provide its services to the standard one would reasonably expect and that as a result of this failure the customer has suffered some loss or detriment. If no such failure or loss is shown, the company will not be liable.

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I have carefully considered all of the evidence provided. Please note that 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. The customer's principal complaint relates to a County Court Judgment that the company obtained against him in respect of a debt for the property 6 Green Street. The company has accepted that the CCJ was wrongly obtained because the claim was not served on the customer at his last known address. The company wrote to the customer on 7 February 2020, confirming that it had instructed his solicitors to apply to the court to set aside the judgment. The company also stated that as a result of its error, it had applied a credit of £150 to his account, leaving a balance of £80.92 which the company also cancelled.
2. The company has therefore confirmed that the CCJ will be set aside and that the customer does not owe any further sums in respect of 6 Green Street, thereby resolving the customer's principal complaint.
3. Secondly, the customer complains about the way in which the company responded to his calls and correspondence requesting information about the CCJ as well as about amounts that might be owing in respect of his accounts at other properties. He considers that the company failed to keep its promises to call him back and provided him with unclear and inconsistent information.
4. While I have not been provided with records of all of the calls and correspondence between the customer and the company (and indeed, the customer complains that the company appears not to have kept records of the calls), I find that the customer's complaint is justified. In addition to the fact that the company has accepted the allegations in general terms, I also base this conclusion on the fact that it is evident, from the correspondence that I have received, that the company has indeed provided unclear information, and has failed to respond to requests for clarification from the customer.
5. I note that the company wrote to the customer on 12 December 2019, informing him that the outstanding CCJ related to his account at 6 Green Street, [ ]. The company stated that according to its records, the customer had only moved out of this property in 2017. However, I note that this date is in conflict with the information previously provided to the customer in the company's letter of 22 November 2019, in which it stated that its records showed that he had moved out of this address in July 2015. The company also stated in its 12 December letter that it

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had been wrong, in its November letter, to say that the customer had an account at 24 Beech Grove from 2015 to 2016.

6. The company then wrote to the customer on 7 January 2020, once again providing information that contradicted previous statements it had made to the customer. In particular, it now stated that its records showed that the customer had lived at 6 Green Street from 22 July 2014 to 20 July 2016 (without explaining the discrepancy from its previous statement). Later in the same letter, the company stated that the dates for the customer's account at this address were 19 June 2015 to 17 July 2016, and then in the next paragraph, it accepted that the customer had moved out of this address on 17 June 2016. The company does not explain why these dates differ.
7. Also in the 7 January 2020 letter, the company stated that there was an outstanding balance of £419.37, in respect of the customer's account at 2 Church Street. This is despite the fact that there is also, on the file, a record of a webchat between the customer and the company on 22 July 2019, in which a representative of the company clearly stated that this amount had been cancelled. While the letter of 7 January 2020 states that the company's policy is only to cancel such charges "until we can locate the customer", this is not what was said to the customer on the webchat, when he was unequivocally told that the charges had been cancelled and that there were no sums outstanding at that address.
8. In addition, I note that in this letter, the company also stated that it had no record of the initial contact made by the customer in July 2019, although the company now accepts that calls were in fact made by the customer on 17 and 19 July 2019.
9. The company concluded the letter by recognizing that the customer had been given conflicting information about the balances due on his various accounts and therefore applied a credit of £25 to his account. The company also accepted that the customer had been promised callbacks that had never happened, and apologised that this occurred but did not offer the customer any compensation for its failing in this regard. I do not consider that the £25 compensation was sufficient to reflect the level of the company's service failings described above.
10. While the customer had a complicated residential history, and while I accept that it is the responsibility of the customer in the first instance to notify the company when he vacates a property, I nevertheless consider that the matters set out above show that the company did not do enough to keep proper records or to record interactions that it had with the customer. The result of this was that the customer had to spend undue time and effort in attempting to resolve the outstanding CCJ against him, as well as to clarify whether he had any other outstanding

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debts. It appears from the correspondence that has been transmitted to me that the customer has been willing to settle any debts which the company could reasonably show to be due, but that he was unable to obtain a clear picture of what was due.

11. Despite the company's assertions, I can also see no evidence on the file that the company communicated clearly with the customer about amounts that it considered to be due before instructing debt recovery companies.
12. The customer made a subject access request in an attempt to obtain clarification, but he did not receive the documentation requested. Although the company states that this was because it requested further details from him that were not provided, the customer has submitted an email that he sent to the company dated 10 October 2019 in which he did indeed reply to the company's request for further details, providing his previous addresses but stating that he did not know his customer number. It does not appear that the company pursued this issue further in their subsequent interactions with the customer: instead, they simply closed the request.
13. As a result, the customer was left with insufficient information to understand what, if anything, he owed to the company.
14. As submitted by the company, under paragraph 3.5 of the WATRS Rules 2017, I am not above to deal with "*disputes that are subject to existing court action or on which a court has ruled unless the court's decision has been set aside*". However, this does not prevent me from making findings about whether the company's conduct surrounding the entry of the judgment, nor with the amounts that the company considers are outstanding in respect of other properties. I find that, although the company ultimately agreed to set aside the CCJ, it took far too long to do so, as it should have been apparent to the company from an early date that it had been incorrectly obtained.
15. I consider that the company's conduct outlined above amount to a failure in its levels of service, which has undoubtedly caused the customer distress and convenience. As a result, I find that the company should not be entitled to pursue the customer for the amounts that it alleges are outstanding on the customer's previous properties (Flat 1 [ ] and 2 Church Street).
16. The customer has asked for compensation of £1,500 for distress and inconvenience in the alternative. However, I consider that the writing off the customer's previous debts is sufficient compensation, so I do not award payment of a further compensation.

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### Outcome

If the customer accepts this decision, the company must, within 20 working days of receipt of the acceptance (1) take all necessary steps to cancel any charges due from the customer in respect of his previous residence at Flat 1 [] and 2 Church Street, and to ensure that no further actions are taken against the customer by any third parties that have been instructed to collect these debts; and (2) confirm to the customer in writing that it has done this.

### What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 27 March 2020 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.

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Natasha Peter (Barrister, FCIArb)

**Adjudicator**

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