

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/1791

Date of Decision: 3 November 2020

Complaint

The customer, who is a vulnerable consumer, is requesting that the company recalculate her bill from 2015 based on the Essential Social Tariff. She is also seeking the payment of £695.00 for the company's poor customer services based on the Guarantee Standards Scheme, £4,494.13 for loss of income, and £2,500.00 for the stress and inconvenience caused in dealing with this complaint.

Defence

The company states that the customer was taken out of her payment plan because she was delayed in paying the bill from February 2019. The company has already paid £60.00 based on its Guarantee Standards Scheme and submits that there is no legal basis to claim the customer's loss of income. The company states that it has complied with its rules and duty of care, and submits that there is no legal justification to compensate the customer for stress and inconvenience. The customer was allowed to return to the Essential Tariff in October 2019 which applies a 20% discount and agreed to recalculate the bills since April 2015 (except between May and October 2019). For a higher discount, the customer would need to contact the company's Affordability team.

Findings

The customer acted in a reasonable manner when informed that she had missed the February 2019 payment by setting up an online account and processing the payment. Given that the customer stated that she posted the February payment, is in vulnerable circumstances and acted in a reasonable manner by opening an online account, I direct the company to re-instate the customer back to her previous tariff. However, the customer is not entitled to further compensation because the company correctly followed its own Guarantee Standards Scheme and there is no legal basis for seeking loss of income.

Outcome

I direct the company to re-instate the customer in the New Start Scheme under the same conditions she was under until February 2019.

The customer must reply by xx November 2020 to accept or reject this decision.

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Party Details

Customer: The Customer

Company: The Company

Case Outline

The customer's complaint is that:

- She was taken off the New Start payment plan, which allowed her to pay as little as £1.00 per month to cover her outstanding balance and any future charges.
- She was removed from the New Start Scheme after the company said that it did not receive the cheque she sent to pay the February 2019 bill.
- She is a vulnerable consumer who is unable to make phone calls or reply to emails as a result of the stress that these forms of communication have on her mental health.
- She is requesting the Essential Tariff, offered by the company, to be backdated on her account to April 2015 when the tariff was first introduced by the company.
- She is seeking £7,769.13 in compensation. This amount includes Guaranteed Standards Scheme payments of £695.00 in recognition of service failures; £4,494.13 for loss of income after she asked her lodger to leave the property; and £2,500.00 compensation for distress and inconvenience.

The company's response is that:

- The company stated that the customer was taken out of the New Start scheme because she missed the payment for the February 2019 bill.
- The company notified her of the missing payment by letter and requested the customer to contact the company by phone. Instead, the customer opened an online account, but that was insufficient to keep her in the New Start Scheme as she had defaulted a payment as per the tariff's Terms & Conditions and had not phoned the company.

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- The company states that in accordance with the Guaranteed Standards Scheme, the customer was paid £60.00 for a delay in replying to two letters sent by customer. However, once the claim was escalated to CCW, all the direct communications with the customer stopped and instead they were made through CCW.
- The company states that the loss of income from the customer's lodger does not have a legal basis, and that the £2,500.00 for inconvenience and distress cannot be recoverable because the company followed its own rules and procedures in changing the customer's tariff.
- As a gesture of good faith, the company agreed to put the customer back on the Essential Tariff, but under the new updated terms, which only offered her a discount of 20%, this discount could be increased further if the customer contacted the company's Affordability team and provided full income and expenditure details.

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. The customer has been on the company's New Start Scheme since 2011, which helps customers in financial difficulty to clear their debts. A condition of the above New Start Scheme is that if a payment is missed, the customer is removed from the Scheme; however, the

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company would first need to provide advance notification in order to offer the customer an opportunity to make the payment and remain in the Scheme.

2. Under this Scheme the customer had a payment plan with the company whereby she was paying a minimum of £1.00 per calendar month, allowing her to pay more every month in order to reduce her debt. In addition, all payments made by the customers are matched by the company.

The company stated that it did not receive the customer's payment for the month of February 2019. As a result, it issued a letter on 18 February 2019 informing the customer that the February bill was not paid, and advising her to contact the company on the phone number provided in the letter within 14 days, otherwise she would be removed from the New Start Scheme and the outstanding debt would become overdue.

3. The customer did not contact the company by phone because, as is acknowledged by the company and CCW, her mental health condition means that she finds it very stressful to make phone calls. Instead, she opened an online account on 1 March 2019 and made an online payment. However, as the company was not contacted over the phone, it followed its own tariff rules and suspended the customer from the New Start Scheme. Consequently, her outstanding debt was referred to the collection agency Orbit Services. But, after receiving a complaint from the customer, the company reversed the referral to the collection company and decided to deal directly with the customer in recovering the outstanding balance.
4. After missing the February payment the company's tariff rules require the customer to submit a new application if she wished to be placed on the New Start Scheme again. However, the customer stated on several occasions that she sent the cheque and provided the stub of her cheque book as proof of payment. By contrast, the company did not receive it, nor did it cash the cheque. The company informed the customer that since it did not receive her cheque, she ought to cancel it.
5. I am mindful that the complaint has been brought by a customer that is experiencing financial difficulty and suffers from mental health problems. These circumstances have been noted by the company and CCW, who have agreed to restrict the communications with the customer by using only mail communications, thus excluding emails and phone calls.

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6. With regards to the decision made by the company to remove the customer from the New Start Scheme, I find that, while the company followed its policy in making this decision as it did not receive a payment from the customer, it failed to take into consideration that this was a vulnerable customer for whom the communications ought to be adjusted to her needs, thus making an exception to its normal process. Furthermore, the company ought to take into account the specific circumstances of this customer, who (i) said that she sent the cheque providing evidence from her cheque-book stub, (ii) cannot make phone calls (yet, unknown to the company at the time), and (iii) opened an account and attempted to pay the company within 14 days of receiving the letter. Although the February bill was paid late, I find that the customer acted in a reasonable manner. In view of that, and the customer's personal circumstances, I direct the company to re-instate the customer on to the New Start Scheme under the same conditions that applied to her until February 2019.
7. In addition, the customer asked for a Guaranteed Standards Scheme payment of £695.00. This consists in the first instance of £420.00 to acknowledge that SWS did not reply to correspondence within 10 working days. Yet, the company stated that it replied to all communications in time, except for a letter dated 30 May 2019, and another one dated 30 August 2019, which resulted in payments made in accordance with the Scheme. The company noted that the correspondence received after 14 November 2019 was not responded to due to CCW advising the parties that the SWS internal complaint process had been exhausted. In respect of the remaining £275.00 due to defaults being incorrectly registered on her account, and due to actions by Orbit Services, the collection agency, I find that since the company had not received the February 2019 payment (and the customer has not proven that the company received and cashed the cheque sent in February 2019), the company followed its own procedure and policy in taking the customer out of the tariff and passing on the debt to the collection agency. Accordingly, I find that the company does not need to compensate the customer for this element of the claim.
8. The customer is also claiming £4,494.13 for loss of income after she asked her lodger to leave in June 2019. The company notes that it is not party to any agreement made between the customer and any tenant she sublets to. In view of the information provided by the customer, the basis on which the customer is claiming that the company ought to cover her loss of income is not clear. Thus, the company is not required to cover the customer's loss of income.

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9. Lastly, the customer requests £2,500.00 in compensation for the company's actions leading her to experience a high level of stress and inconvenience, which lasted for over one year. I find that the company's decision to remove the customer from the New Start Scheme was based on a missing payment, so, strictly speaking, it did not breach the company's policy, and thus, it did not breach the law or the industry standards (as also noted by CCW) because the company was not aware of the inability of the customer to make phone calls. I am mindful that, once it was informed of her special circumstances, the company adjusted its communications to the customer's preferences and needs. Therefore, I find that the company is not required to compensate the customer for this part of the claim.
10. With regards to the Essential Tariff, this applies to eligible customers who receive a discount of between 20% and 80% off the charges where they are on low income or receive pension credits. The customer requests that the Essential Tariff, which started to be offered by the company in April 2015, be backdated to her account from the date it was introduced. The company agreed to put the customer on the Essential Tariff with a discount of 20%. To qualify for a higher discount the customer is required to complete a Financial Assistance Application Form (FAAF). If the customer wishes to an increased discount, she would need to contact the company's Affordability team to provide full income and expenditure details in order to allow for a full assessment to be made.
11. In view of the above, I direct the company to re-instate the customer in the New Start Scheme under the same conditions she was until February 2019, which allows her to pay a minimum of £1.00 per month and the payments are matched by the company.

Outcome

I direct the company to re-instate the customer in the New Start Scheme under the same conditions she was until February 2019.

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What happens next?

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



Pablo Cortés, Ldo, LL.M, PhD

Adjudicator

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