

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X245

Date of Decision: 01/03/2021

Party Details

Customer:

Company:

Complaint

The customer's claim is that the company incorrectly cancelled her direct debit and then went on to pursue her for a debt which should never have been due, both of which led to inconvenience and distress. The customer is seeking the company to remove the adverse credit marks on her account.

Response

The customer confirmed that her final balance would be paid on receipt of her final bill. However, despite the customer moving out of the property in March 2020, no payment was received until June 2020. The monies received in June 2020 had the wrong account reference, and it was not until October 2020 that the funds were allocated to the customer's correct account. Once monies were received in the right account, the sum was found less than the outstanding balance. As the customer failed to keep her account up to date regarding payment, the company is entitled to begin its recovery process according to its policy set out in its Charges Scheme. The defaults on the customer's account were correctly reported, and the company cannot remove them. The company has not made any further offers of settlement.

Findings

I am satisfied that the evidence shows that the company did not fail to provide the customer's services to the standard to be reasonably expected concerning placing adverse credit marks on the customer's account. However, I am satisfied that there have been failings concerning customer service.

Outcome

The company shall pay the customer £50.00.

The customer must reply by 29/03/2021 to accept or reject this decision.

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Case Outline

The customer's complaint is that:

- The company incorrectly cancelled her direct debit and then pursued her for a debt that should never have been due, both of which led to inconvenience and distress. • The customer is seeking the company to remove the adverse credit marks on her account.

The company's response is that:

- The customer confirmed that her final balance would be paid on receipt of her final bill. However, despite the customer moving out of the property in March 2020, no payment was received until June 2020. • The monies received in June 2020 had the wrong account reference, and it was not until October 2020 that the funds were allocated to the customer's correct account. • Once monies were received in the correct account, it was found to be less than the outstanding balance. • As the customer failed to keep her account up to date regarding payment, the company is entitled to begin its recovery process according to its policy set out in its Charges Scheme. • The defaults on the customer's account were correctly reported, and the company cannot remove them.

How is a WATRS decision reached?

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

- Whether the company failed to provide its services to the customer to the standard to be reasonably expected by the average person.
- 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.

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 dispute centres on whether the customer is entitled to have the adverse credit marks on her account removed where the company has cancelled her direct debit.
2. The company must meet the standards set out in OFWAT's Charges Scheme Rules, the Water Supply and Sewerage Services (Customer Service Standards) Regulations 2008 and the Water Industry Act 1991.
3. The company also has certain obligations regarding its customer services as set out in OFWAT Guaranteed Standards Scheme and its own Guarantee Standards Scheme (GSS).
4. From the evidence put forward by the customer and the company, I understand that on 12 March 2020, following the sale of her property, the customer requested a final bill from the company via the company's website. The company's website gave the customer two options on how to pay her final bill; either to continue with the current way to pay her bill or to pay in full on receipt of the final bill. The customer chose the second option to pay in full on receipt of the final bill as she was under the impression that on receipt of the final bill, the company would take the entire outstanding balance from her account via her direct debit.
5. However, I understand from the company's response that if the customer chooses to pay in full on receipt of the final bill, it is the company's policy to cancel the customer's direct debit as it expects payment manually. On 18 March 2020, the company issued its final bill, which showed an outstanding balance of £46.90 due by 6 April 2020.
6. In June 2020, the customer paid £41.53 manually as she realised that the company had cancelled the direct debit and there was an outstanding balance. The evidence shows that due to an incorrect reference number, the monies were allocated to a different account, and it was not until October 2020 that the funds were correctly assigned. In any event, the monies paid were less than the outstanding balance on the account. During this period, the company notified its credit reference agencies that the account was overdue, and default marks were then placed on the customer's credit file.
7. On 7 October 2020, the customer contacted the company to query her the adverse credit marks on her account. The company responded by saying that the monies were allocated to a different account due to an incorrect reference number, and it was not until October 2020 that the monies were correctly allocated. In any event, the monies paid were less than the outstanding balance on the account, so

the company was correct to accurately report the customer's late payment to the credit reference agencies.

8. A solution could not be reached, and the customer progressed matters to CCWater to resolve, however, without success. The customer remained unhappy with this outcome, and on 31 December 2020, commenced the WATRS adjudication process.

9. As to whether the company was correct to report any late payment to the credit reference agencies, Section 143 of the Water Industry Act 1991 gives the company the power to set a Charges Scheme. Where a bill has not been paid, in line with the company's Charges Scheme, a debt recovery process is in place for all of its customers. In compliance with OFWAT's guidelines on the collection of debt, if no payment plan is in place with the company or full payment has not been received, the company is entitled to report any late payment to the credit reference agencies and pass the debt onto a debt collection agency.

10. In this instance, a final bill was produced in March 2020, showing a balance of £46.90. By October 2020, there remained an overdue balance of £5.37 on the account. Whilst I appreciate the customer's position concerning the direct debit, as an outstanding balance existed on the account, I find that the company was entitled to report any late payment to the credit reference agencies. It is for the customer to monitor her accounts and be aware that any payment had not been taken. I note that the customer says that the company never provided any further correspondence regarding the outstanding payment, and therefore she believed that the balance had been paid. Based on the evidence, I cannot find any correspondence relating to the overdue balance between 6 April 2020 and June 2020. Therefore, I cannot say with any certainty that the company failed to contact the customer regarding the outstanding balance. In light of the above, I find that it has not been proven that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning its debt recovery processes.

11. The company has certain obligations in respect of its customer services. As evidenced by the timeline within the company's response documents, I am satisfied that by the end of the company's dialogue with the customer, the company had adequately explained the reasons behind why it was entitled to report any late payment to the credit reference agencies.

12. However, the evidence shows apparent confusion surrounding whether the final payment should have been taken by direct debit and to which account the monies paid in June should have been allocated. On review of the various correspondence and the screenshot provided by the company on the choices of

how to pay the final bill, in my view, it is not clear that if a customer chooses to pay in full on receipt of the final bill, then the monies will not be taken by the customer's existing direct debit. Therefore, I find it reasonable that the customer initially thought any payment would be taken by direct debit. On careful review of the various correspondence concerning both the direct debit and the incorrect account issues, I find that the company failed to provide its services to the customer to the standard to be reasonably expected regarding customer service. I find that these failures fall within tier 1, and I believe that £50.00 adequately covers the customer for any inconvenience and distress incurred due to the company's customer service failings. Accordingly, I direct the company to pay the customer £50.00 for this aspect of her claim.

13. The customer has submitted comments on the Preliminary Decision. I note the various comments concerning the lack of correspondence from the company and that it was not made clear by the company that her direct debit was to be cancelled by the company. However, I find that these points do not change my finding that the company failed to provide its services to the customer to the standard to be reasonably expected regarding customer service but not concerning its debt recovery processes.

13. In light of the above, I find that the evidence does not show that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning placing adverse credit marks on the customer's account, nor does the evidence show that the company failed to provide its services to the standard to be reasonably expected when investigating these issues. However, I am satisfied there have been failings concerning customer service.

Outcome

1. The company shall pay the customer £50.00.

What happens next?

This adjudication decision is final and cannot be appealed or amended.

The customer must reply within 20 working days to accept or reject this final 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.

- If you choose to accept this decision, the company will have to do what I have

directed within 20 working days of the date in 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.

Mark Ledger
Adjudicator