

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X456

Date of Decision: 08/08/2021

#### Party Details

Customer:

Company:

#### Complaint

The customer has a dispute with the company regarding the raising of a negative/default marker on his credit history file and its refusal to remove it. The customer claims that he rents out the property in question and it was the responsibility of his letting agent to inform the company of the details of the tenants. Thus, the customer believes the default on his credit score has been wrongly applied by the company. The customer claims that despite ongoing discussions with the company and the involvement of CCWater the dispute is unresolved and therefore he has brought the claim to the WATRS Scheme and asks that the company be directed to remove the default marker.

#### Response

The company states that it has correctly raised the negative marker on the customer's credit history file, and thus declines to remove it. The company says it has acted in compliance with the applicable regulations and its own scheme of charges. The company states that the customer did not supply information regarding his tenants and thus remains liable for all charges raised. The company notes the customer had a bill outstanding for more than one year. The company has not made any offer of settlement to the customer.

#### Findings

I find that the company has acted correctly in raising the default marker.

The customer did not comply with the requirements to advise the company of the details of his tenants and thus remained liable for the charges. I further find that the customer was aware that he had an outstanding bill and his reliance on his letting agent does not release him from the responsibility to pay the charges. Overall, I find that the company has not failed to provide its services to a reasonable level nor has failed to

manage the customer's account to the level to be reasonably expected by the average person. The customer's claim does not stand.

#### Preliminary Decision

- The Preliminary Decision was issued to the parties on 26 July 2021.
- The company submitted comments on the Preliminary Decision on 27 July 2021.
- The company confirmed that it had reviewed the Preliminary Decision and had no additional input to add.
- I am satisfied that no amendment is required to the Preliminary Decision.



The company does not need to take further action.

The customer must reply by 07/09/2021 to accept or reject this decision.

# ADJUDICATOR'S FINAL DECISION SUMMARY

**Adjudication Reference:** WAT-X456

**Date of Decision:** 08/08/2021

## Case Outline

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

• He has experienced an ongoing dispute with the company concerning issues with billing on his account and its refusal to remove negative markers from his credit history file entered by the company for non-payment of charges. Despite the customer's recent communications with the company, and the involvement of CCWater, the dispute has not been settled. • He is the owner of the property that is the subject of the disputed charges and payment thereof. • He rents out the property and uses letting agents to manage it on his behalf. • He received a bill from the company dated 31 August 2019 and contacted the company on 20 September 2019 to query the amount outstanding. The customer says that believing he was only responsible for the charges when the property was unoccupied, he made a payment of £50.31 and provided details of the previous tenants so that the company could seek payment from them for the outstanding balance. • On 23 September 2019 he confirmed to the company by e-mail the details of the previous tenants and his commitment to ensure all outstanding monies would be paid. • On 24 September 2019 his letting agents also contacted the company to confirm details of the tenants. • On 27 September 2019, the company responded to the letting agents and from this communication he understood the outstanding bill had been dealt with and notes the e-mail made no mention of him being responsible for the bill. • On 24 October 2019, he was again in contact with the company and paid the bill outstanding for the period prior to the tenants taking occupation of his property. He says that, again, he was not made aware that he was ultimately responsible for payment of the bill not settled by the tenants. • On 13 January 2020, the company passed his account to a debt collection agency and placed a default marker on his credit history file. He contends that he settled the outstanding balance in full upon receiving a written notification from the debt collectors. • Between January to September 2020, he received no contact from the company. He believes it is possible that the company has mixed up his account with another and as such claims that his case has been misinterpreted by the company. • He and the letting agents had provided the company with full details of the tenants but he can see no evidence that the company attempted to contact the tenants over the outstanding bill. The customer also contends that the company did not contact him prior to placing the default marker and had it done so he would have settled the bill immediately. • Believing the company had not properly addressed his concerns he, on 16 November 2020, escalated his complaint to CCWater who took up the dispute with the company

on his behalf. The records show that CCWater contacted the company on 23 November 2020 and requested more detailed information from it and to review the customer service provided. • On the next day, 24 November 2020, the company responded to CCWater and explained its actions were in compliance with the regulations issued by the REDACTED in respect of holding landlords responsible for bills when information on tenants has not been provided. • Subsequently, on 26 November 2020, CCWater informed him that it believed the company would not change its position and was satisfied that it had followed the regulations and its own policies. • CCWater confirmed that it could not take any further steps to alter the position of the company and was closing his complaint. • Despite the intervention of CCWater, the dispute is ongoing, and the company has not changed its position and CCWater are unable to obtain a resolution between the parties. The customer remains dissatisfied with the response of the company and has, on 04 June 2021, referred the matter to the WATRS Scheme where he requests that the company be directed to remove the negative default marker from his credit history file.

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

- It provided its response to the claim in its submission dated 29 June 2021. • Its records show the customer's property was unoccupied since 01 July 2018, and once it identified the owner of the property an account was opened in his name on 28 August 2019 and backdated to 28 August 2018 in accordance with the "Non-Owner Occupier Regulations".
- A letter was sent to the customer at his home address on 28 August 2019 confirming that an account had been opened in his name and that charges had been raised. • On 30 August 2019 it was informed of the tenants' details and the customer's account was closed as from 28 August 2019, and a final bill issued in the amount of £444.35. On 24 October 2019 the customer made a payment of £50.31 leaving a balance outstanding of £394.04. • It contacted the customer on three separate occasions by telephone to advise him of the outstanding bill and to inform him that the failure of the letting agents to advise of the tenants' details was a third-party dispute outside of the company's responsibility. • As the bill remained outstanding a default notice was sent to the customer at his home address on 12 December 2019. As the bill continued to be unpaid a default notice was reported on 13 January 2021. • As the default was correctly raised and represents an accurate history of the customer's payment activity it will not be removed. • In summary, it confirms that the customer has been correctly billed, and was aware of the outstanding bill. A balance of £394.04 was outstanding in excess of one year and thus the default marker was correctly raised. The company says it has acted in compliance with the requirements of the REDACTED and its own code of practice. The customer's comments on the company's response are that: • On 02 July 2021, the customer submitted detailed comments on the company's response paper. I shall not repeat word for word the customer's comments and in accordance with Rule 5.4.3 of the Rules of the WATRS Scheme I shall disregard any new matters or evidence introduced.
- The customer

reiterated his position as previously set down. He denies receiving the letter purportedly sent to him on 28 August 2019 and the Default Notice warning letter, and further denies being contacted by telephone as stated by the company. He acknowledges an outstanding balance was due to the company but denies being aware that he was responsible for its payment.

### **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 relates to the customer's dissatisfaction that the company has placed a negative marker on his credit history file.
2. I note that the WATRS adjudication scheme is an evidence-based process, and that for the customer's claim to be successful, the evidence should show that the company has not provided its services to the standard that would reasonably be expected of it.
3. The customer confirms that he is the owner of the property in question.
4. The customer further confirms that he rents out the property and uses a letting agent to manage the property on his behalf.
5. The water company is obliged to conform to the Water Industry Act 1991.
6. In January 2015 the REDACTED introduced the Non-Owner Occupier Regulations and produced applicable guidelines, "Non-statutory guidance in relation to the Water Industry (Undertakers Wholly or Mainly in Wales) (Information

about Non-owner Occupiers) Regulations 2014". [Regulations]

7. At article 1.3 the Regulations state :-

"Section 144C of the Water Industry Act 1991 (as amended by section 45 of the Flood and Water Management Act 2010) places a duty on owners of residential properties who do not live in them to provide information to the relevant water company about the occupiers of those properties ('non-owner occupiers'). Failure to do so results in the owner becoming jointly and severally liable for water and sewerage charges. These regulations set out what information should be provided, how it can be provided and the time frame for providing."

8. At article 2.4 the Regulations state :-

"If the owner does not comply with this duty they will become jointly and severally liable with the occupier for water and sewerage charges for the period that they have failed to comply. That means that the water company can sue an occupier, owner or both in relation to any outstanding charges."

9. At article 3.1 the Regulations state :-

"An owner may arrange for a third party (e.g. a managing agent) to provide the information to the water company on their behalf. However, it is still the owner's responsibility to ensure that the information has been passed to the water company within the specified timescale and the joint and several liability will still apply until the date the information was received."

10. The company has stated that its records show that the premises were unoccupied since July 2018.

11. The parties do not appear to agree as to when the company was made aware of the details of the tenants, the company states it was 30 August 2019 whilst the customer says it was 23 September 2019.

12. Notwithstanding the actual date, I am satisfied that the property was occupied by tenants from 01 October 2018 as shown in an e-mail submitted by the customer. The e-mail dated 12 December 2018 clearly states that four students resided at the property.

13. The details of the tenants were not passed to the company as required under the regulations and therefore the customer became liable for the charges raised until the appropriate details were finally given to the company in August/September 2019.

14. The customer has stated that his letting agent was responsible for advising the

company of the tenancy details, but as noted above, Regulation Article 3.1 states responsibility for informing the company rests at all times with the landlord.

15. The customer also says that the company did not make any attempts to contact the tenants after it was made aware of their details in August 2019. I am satisfied that because the company was not made aware of the tenants' details within the timeframe set down in the Regulations it had no responsibility to retrospectively pursue them for payments on an account that never existed. I am satisfied that it is for the customer to pursue the tenants and/or letting agents for the recovery of charges incurred during their tenancy.

16. The customer further complains that the company did not advise him that it was intending to refer his overdue account to a debt collection agency and raise a default marker on his credit history file. From my reading of the company's debt collection booklet entitled "The collection of unpaid charges from household customers" I find no reference to the company having to advise a customer in advance that it intends to enter a negative marker on a credit history file. I also note that on the front page of its bills the company states that it shares information with credit reference agencies.

17. In summary, I have found that the customer had not informed the company of the details of tenants renting the property within the required timeframe and was thus correctly billed, as the landlord, for the charges raised. The customer made a partial payment, but the majority of the charges remained outstanding for more than one year. I am satisfied that the company followed its own debt recovery procedures and that the default marker placed on the customer's credit score was correctly raised.

18. I am not satisfied that the customer has established on a balance of probabilities that the company erred in raising the negative default marker, and therefore I shall not direct the company to remove it.

19. My conclusion on the main issues is that the company has not failed to provide its services to a standard to be reasonably expected by the average person.

## **Outcome**

1. The company does not need to take further action.

## **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.

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**Peter Sansom**  
**Adjudicator**