

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X490

Date of Decision: 08/08/2021

#### Party Details

Customer:

Company:

#### Complaint

The customer has a dispute with the company regarding its decision to place negative markers on her credit history and its refusal to remove them as she has requested. The customer says that she was not advised by the company that entering an instalment plan would have a negative impact on her credit rating. The customer claims that despite ongoing discussions with the company and the involvement of CCWater the dispute is unresolved and therefore she has brought the claim to the WATRS Scheme and asks that the company be directed to remove the markers from her credit history file.

#### Response

The company denies that it did not inform the customer that entering an instalment plan would negatively impact her credit score. It has submitted a copy of a contemporary entry on the customer's account notes that shows its agent advised the customer correctly. The company records that as a gesture of goodwill it has removed negative markers for the period after the customer vacated the property where charges were raised. The company has not made any offer of settlement to the customer and declines to remove the negative markers.

#### Findings

I am satisfied that the company has correctly followed its own charges scheme and debt recovery process. I find the customer has not provided sufficient evidence to justify her claim whilst the company has submitted a contemporary account note entry. Thus, I find that the claim does not stand, and the evidence has not shown on a balance of probabilities that the negative markers should be removed. 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 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-X490

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## Case Outline

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

- She has experienced an ongoing dispute with the company concerning issues with billing on her account and with the company placing negative markers on her credit history file and its refusal to remove them. Despite the customer's recent communications with the company, and the involvement of CCWater, the dispute has not been settled.
- She resided at the property between 14 August 2017 and 10 March 2020.
- She was paying her water charges by monthly instalments under a Direct Debit mandate in favour of the company.
- In April 2019 a third-party started to share the property and water consumption increased. The customer states that the company twice increased her monthly charges, firstly to £41.00 and in July 2019 to £61.00. The customer says that she contacted the company to query the increase and suggested there may be a leaking pipe on her supply.
- When she contacted the company she was advised that a hold would be placed on her account and she need not make payments until a leak investigation had been completed.
- On 18 October 2019 she contacted the company and it confirmed that no leak was identified. The customer says that she agreed to start a payment plan for £40.00 per month.
- She was not informed that the payment plan would result in negative markers being placed on her credit history file.
- She has requested that the company listen to the telephone discussions held on 18 October 2019 to confirm that she was not warned about negative markers. The customer states that the company has not done this.
- The company has entered numerous negative markers on her credit score and despite her numerous discussions with it only some of the markers have been removed.
- Believing the company had not properly addressed her concerns the customer, on 24 March 2021, escalated her complaint to CCWater who took up the dispute with the company on her behalf.
- CCWater contacted the company on 10 May 2021 and requested to receive a detailed explanation of its position and actions in respect of dealing with the customer's complaints.
- On 19 May 2021, the company responded to CCWater and stated that it does not retain recordings of telephone calls longer than twelve-months and is thus unable to listen to the call that took place on 18 October 2019. It further confirmed that its investigations showed that the negative markers had been correctly placed on the customer's credit score and would not be removed.
- On 02 June 2021, CCWater confirmed to her that the company would not change its position and that CCWater could not take any further steps to alter the position of the company and was closing her complaint.
- The customer says that 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 25 June 2021, referred the matter to the WATRS Scheme where she requests that the company be directed to remove all negative markers off her credit history file.

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

- It provided its response to the claim in its paper dated 02 July 2021.
- In June 2018 the customer entered into a Payment Plan at the rate of £20.00 per month.
- In March 2019 the monthly payment was not made. The company confirms that in April 2019 the monthly amount was increased to £41.00 and again in July 2019 it was raised to £61.00.
- It was unable to collect payments for the months of July and August 2019.
- On 12 September 2019 the customer advised the company that the failed payments were negatively affecting her credit score because the company had placed default markers on her credit file. The customer told the company that she was not advised when agreeing to the payment plan that it would cause negative markers to be raised and was in fact told by a company agent that she could delay payments while a possible leak was investigated. The company says that its records do not show any such advice being given to the customer.
- On 18 October 2019 the customer agreed to an instalment plan and was informed by the company agent at the time that this would negatively impact her credit score. The company notes that it was further unable to obtain payments due on 04 November 2019, 21 November 2019, and 03 January 2020.
- On 10 March 2020 the customer ceased to reside at the property and default markers raised for the months of March, April, and May 2020 were subsequently removed. The company says all credit reporting prior to 10 March 2020 remains correct.
- In summary, it confirms its position that the customer was not paying the company's charges in accordance with its payment terms from 18 October 2019, and it was therefore entitled to report negatively in respect of any arrears on the account.
- It believes that the information reported to the credit reference agencies is a true representation of the customer's payment history, and it declines to remove the negative markers from her credit history file. The customer's comments on the company's response are that:
- On 27 July 2021, the customer submitted 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 reiterates her position that the company did not give her sufficient information when she moved on to the instalment plan. The customer also raises the question of how the company can produce a transcript of the telephone call of 18 October 2019 when it contends it cannot access the audio file.

**[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 negative markers on her credit history file and refuses to remove them despite her numerous requests to do so.
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. I am satisfied that the crux of this dispute revolves around the telephone discussion held on 18 October 2019 between the customer and a telephone agent of the company.
4. During this conversation the customer agreed to enter into an instalment plan,
5. I find that it is important to understand the difference between a "payment scheme" and an "instalment plan" according to the company's scheme of charges.
6. A "paymentscheme" means that customers pay for the services as they are using them. This is in accordance with the company's Charges Scheme and customers who are on a payment scheme which is set to clear arrears and ongoing charges will be reported positively and will show on their credit report as a zero status.
7. An "instalmentplan" is a non-standard payment arrangement set at a lower amount to spread the cost of invoices over a longer period of time. The payments would usually increase by the cost of living rather than the amount required to clear

the balance within the financial year. As an instalment plan does not cover the balance and ongoing charges this is reported negatively to credit reference agencies.

8. I can see from my reference to the documents submitted to me that the customer was originally on a payment scheme at the following monthly rates :-From 23 June 2018 @ £20.00

From 08 April 2019 @ £41.00 From

01 July 2019 @ £61.00 From 03

September 2019 @ £71.00

9. While on the payment scheme the company did not report any negative data to the credit reference agencies.

10. From my reading of the Response document I can see that the company says the customer's bank declined to make Direct Debit payments on the following dates

:-

4 March 2019

2 August 2019

3 September 2019

12 October 2019

11. The customer has not denied the missed payments.

12. Due to the history of continued defaulted payments the company, on 18 October 2019, removed the customer from the payment scheme and placed her on an instalment plan. As the plan is outside the company's scheme of charges it is reported to the credit reference agencies as negative data.

13. The customer says that she was not informed on 18 October 2019 that entering into an instalment plan would raise negative reporting to credit reference agencies. The customer has not supplied any evidence to support her understanding and the company has denied not informing her. The company submits contemporary account notes that record :-

"IP set up, advised this will have a negative impact on credit rating."

14. I further take note that the customer has purportedly missed further monthly payments since entering the instalment plan :-

4 November 2019

21 November 2019

3 January 2021

15. I am satisfied that the company has correctly raised negative data on the

customer's credit history file. I also find that it has correctly followed its own debt recovery process and has correctly placed the default markers on the customer's credit score that reflect her payment history since March 2019.

16. I further find that the customer has not established on a balance of probabilities that the company erred in placing the negative markers on her credit history file and it thus follows that I find her claim does not stand. I shall not direct the company to remove the negative markers.

17. 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.

### Preliminary Decision

- The Preliminary Decision was issued to the parties on 27 July 2021.
- On 27 July 2021, the customer submitted comments on the Preliminary Decision.
- The customer repeats her earlier position that she believes she was misadvised by a company agent. The customer reiterates her unhappiness that the company states it cannot provide an audio copy of the telephone discussion but can locate written notes taken during the conversation. The customer states again that she would not have accepted the instalment plan if the consequences for her credit file had been explained.
- The company submitted its response to the Preliminary Decision on 04 August 2021.
- The company confirmed that it does not have an audio file of the telephone discussion of 18 October 2019 but was able to show contemporary notes written by the telephone agent.
- Having read the comments of both parties I am satisfied that amendments to the Preliminary Decision are not required.

### 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**