

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X572

Date of Final Decision: 21 September 2021

Party Details

Customer:

Company:

Complaint

The customer contacted the company in May 2020 to close his account due to the number of negative credit marks he had received on his credit file. He was told that his account would be zero but was then pursued for a balance on his account. He says that he did not find out about an outstanding balance until December 2020. He asks for removal of the adverse credit markers on his credit file and waiver of the balance claimed.

Response

The company says that it has reviewed the customer's account and, following this, the stage 1 response on 11 March 2021 and the stage 2 response, it is satisfied that the outstanding balance is due having had CGS and goodwill gestures applied and that the negative credit marks had been applied correctly. Following the application of credits, the outstanding balance is £141.80. During the review, the company listened to a copy of the call made in May 2020 in which the customer highlighted his complaint about the negative markers, but no balance was disclosed.

Findings

An average customer would reasonably expect the company to collect payments due and to share data with credit reference agencies which is now standard industry practice and permitted by Ofwat. The history of the account shows that the customer would or should have known that amounts were outstanding and due to the company at various stages during 2019 and until 31 March 2020 as of which date the account was closed on 4 May 2020. An average customer would expect adverse data to be shared in these circumstances.

Outcome

The company does not need to take any further action.

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Case Outline

The customer's complaint is that:

- The customer contacted the company in May 2020 to close his account due to the number of negative credit marks he had received on his credit file. He was then pursued for a balance on his account but he did not find out about the balance until December 2020.
- Until this time he believed the balance to be zero having been advised this at the time of closing his account.
- The customer seeks removal of the negative markers on his credit file and waiver of the balance said to be due.

The company's response is that:

- The customer owes £141.80 for the water and wastewater services he used and has been billed for.
- As this balance has remained unpaid, the company has referred this amount to a Debt Collection Agency (DCA) to obtain payment from the customer. In addition, as detailed on all bills, the website, Code of Practice, and its Charges Schemes, the company has reported the overdue payment of this amount to a Credit Reference Agency (CRA).
- The company has followed its debt collection processes correctly, informed the customer about the implications of not paying his bill and as such, the company disputes this Application.

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.

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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 customer disputes having been advised about outstanding amounts due on his account at an address at **XX**. He therefore disputes that the company should make a claim for payment against him and says that the company was not entitled to make adverse entries on his credit file. Following my Preliminary Decision, the customer has made a number of points in which he suggests that the Proposed Decision did not take account of his evidence to the adjudicator. I find that some of those points relate to matters that were made previously and which are already explained in the Decision. Where I have found it is reasonable to address the customer's concerns expressed in his comments, I have referred to these in the Final Decision below.
2. The company, has submitted evidence of the following timeline:
 - 6 June 2019 – the customer called to advise that he had taken over responsibility for the water services charges at **XX** with effect from 1 April 2019. The customer did not suggest that the bills should be sent to another property.
 - The customer's account was opened from 6 June 2019, reference number **XX**. Billing was based on the Rateable Value of the property because no water meter was installed. On the same day, the company sent the customer's unmetered bill to the property for the period 1 April 2019 to 31 March 2020 because unmetered charges are payable in advance. The sum of £402.94 was thus due immediately. On this bill, the company advised the customer that the company's practice was to share data with credit reference agencies (CRAs).

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- 4 July 2019 – A text message was sent to the customer’s mobile asking him to pay the overdue charges. The company has verified that the mobile number was correct by comparing this with the number on the customer’s WATRS application form.
- 11 July 2019 – A letter was sent to the property asking for payment. On the second page, information concerning sharing information with CRAs was printed on this letter.
- 22 July 2019 – A text was again sent to the customer’s mobile.
- 24 July 2019 – The customer set up an online account and requested a payment plan using a Webform.
- 26 July 2019 – A payment plan confirmation letter was sent to the property. This letter also explained that information would be shared with CRAs. The customer was asked to pay £50.42 on or before 10 August 2019 and then make seven payments of £50.36 between 10 September 2019 to 10 March 2020.
- 16 August 2019 – A payment of £50.42 was received but no payment was received in September 2019.
- 19 September 2019 – As the payment plan wasn’t being adhered to, a text message was sent which the company records was successfully delivered to the customer’s mobile.
- 25 September 2019 – A reminder letter was sent to the property. No October payment was received.
- 21 October 2019 – A reminder letter was sent to the property.
- 30 October 2019 – A text message was sent to the customer.
- 4 November 2019 – The company called the customer regarding his outstanding balance. He made a payment over the telephone of £100.72. There is no evidence that the customer asked for a new payment card despite a later assertion that he had done so but that the

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company had offered no assistance. The company argues that had this been raised it would have been recorded on the call notes and actioned accordingly.

- 5 November 2019 – The payment of £100.72 was confirmed which paid the September and October instalments. The customer's account was transferred to a new billing system called "Spring" on 26 November 2019 with number REDACTED. The outstanding balance of £251.80 was transferred to this new account. The company says that if any payments had been made against the old account number, these would automatically transfer to the new account.
- 20 December 2019 – A reminder letter was sent to the property because the customer had not paid the November or December instalments.
- 6 January 2020 – The customer called to change his payment plan. The Agent he spoke to agreed to accept this request. A new payment plan statement was sent. Two payments of £10.00 were accepted but it meant that £231.80 would be carried forward on to the next annual bill.
- 16 January 2020 – the customer called again and asked to speak to a Manager about negative credit marks against his credit file. The Manager called the customer back on the same day as shown below. He explained that late payments are reported to Equifax and that bills must be paid on the due date, but the customer didn't agree with this and said he would take the matter to the Financial Conduct Authority.
- 17 January 2020 – The customer registered for online paperless billing. The company means that from this date, all bills would be sent to his online account and when this was done, he would receive a notification advising him to logon to his online account to view what he had been sent.
- 2 February 2020 – The customer paid £10.00.
- 14 February 2020 – The annual bill for 2020/21 was sent to the customer's online account for a total of £653.99.

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- 2 March 2020 – A £10.00 payment was received.
- 4 May 2020 – The customer called to advise that he wanted his account closed. He said he wanted to come off the account because he didn't want the company's services anymore and did not want anything further to do with the company. He blamed the company for messing up his credit file and said that the company had not communicated with him, and his credit rating was ruined for no reason whatsoever. The agent he spoke to asked what date he'd moved out of the property and the customer replied by saying it had been six months earlier. The Agent advised that she could only go back 28 days and could close the account from 1 April 2020. The customer agreed. The company also provided details of its complaints department. A closing bill for £232.93 was produced and sent online.
- 3 June 2020 – A text message was sent.
- 4 June 2020 – The customer called to advise he wanted his account closed with effect from 31 March 2020. The Agent he spoke to revised the closing date and a new bill was sent.
- 10 July 2020 – A reminder letter was sent for £231.80. Information about what to do if difficulties were being experienced in making payment was given.
- 29 July and 24 August 2020 – Notices of Further Action were sent to the property.
- 9 December 2020 – The customer called advising he did not have an account with the company, however the Agent he spoke to confirmed he did have an account. The complaints department email address was given to him.
- The customer sent an email stating:

“At the time I explained that I had issues with payment due to not being able to locate my payment card. I was not contacted by REDACTED at anytime nor was any correspondence made in any attempt to help remedy this. However markers were put immediately on my credit file. Some were put on the next day from payment due. I complained at the time that this was extremely unfair. No notice was given that this

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would occur, at anytime since the opening of the account. No warning sent. I was told that these markers will now stay on my credit file for six years.” ...

“I closed my account with yourselves on the 31st March 2020. At the time I called and spoke to a lady at REDACTED to do this. I was told that there was future payments pending (for the following year) but as I was closing the account this would not be due to pay. This was also shown on my online account at the time showing my balance due as zero pounds. My account with REDACTED was closed and my account had zero balance due.”

- The company carried out a review. Among other findings, it concluded that the customer had called to close his account on 4 May 2020 and a final bill was produced for £232.93, which was then cancelled due to the closing date on the bill being 1 April 2020. The customer called to change the closing date so this was amended to 31 March 2020 and the bill stood at £231.80. The customer was registered to paperless online account management so emails were sent to the customer and SMS messages were also sent in respect of debt to the customer’s mobile. The company concluded that the customer had been told of the debt.
- 8 January 2021 – The company applied a Customer Guaranteed Service credit of £20.00 to the account for failure to respond in 10 working days.
- 29 January 2021 – After speaking with the customer, the company sent the following email to him:

“Please email REDACTED with the screenshots of your credit reference entries from us and also your 0 balance bill/statement that led you to believe that no monies were owed to us. Thank you for your cooperation and I will be in touch as quick as possible upon receiving these”.

- 8 February 2021 – The company received an email from the customer showing details of credit reference reports and the online management system which refers to “closed account”. The web pages offer the option to “View Account” and the company says that clicking on these would have shown the outstanding balance. The company points out that the credit reference report refers to an outstanding balance of “£232”.

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- On 5 March 2021, the company replied:

“I’m sorry to hear of the experience you have had recently with REDACTED regarding your final bill. I can confirm that there is still an amount of £211.80 outstanding from previous bills where the shortfall was not paid at the end of each bill period. Therefore, I have asked for a final revised correct bill to be sent to you and on page, three of this bill are your payment options.

I can confirm that these outstanding payments have effected your credit file as you advised with your screenshots you sent and I have checked with our Credit Reference team to confirm your screenshots. Until payment has been received, we will be unable to update your credit file.”

- On 8 March 2021 the customer contacted the company repeating that he was told on 4 May 2020 that he owed nothing.
 - 11 March 2021 – The company replied to the customer explaining the outstanding balance of his account was given, along with information about why the negative credit marks were applied. The company also gave a goodwill payment of £50.00 to apologise if incorrect information had previously been supplied. The customer was asked to provide a forwarding address and the company also explained that there was no account number attributed to him ending in 0000. The Complaints Case Manager’s notes show that a further review was carried out.
 - At this point CCW become involved and in April 2021, it was reported that the customer said he had lost his payment card in November 2019 and had been given no support.
3. The Complaints Case Manager has listened to the telephone call when the customer demanded that his account be closed. The company argues that the reason the customer wanted the account closed was not because he was leaving the property, but because he was unhappy with paying his bills. The company has, however, so far treated the customer as non-resident at that address even though attempts to locate him at a new address indicate that the customer does not live at that address and the company believes that certain payments to third parties of which

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it has become aware, suggest continuing residence and water use by the customer at the disputed property, for which the customer is not receiving bills or paying water charges. The company also refers to outstanding charges at a previous address. The customer has not replied to the company's response, but I make clear that whether or not the customer is still resident and whether or not there is an outstanding amount at another address, this is not the subject of the current dispute which concerns adverse credit entries on the customer's credit file in relation to indebtedness that had (according to the company) accrued before 31 March 2020.

4. I turn to that issue. In doing so, I bear in mind that adjudication is an evidence-based process and that in order for the customer's claim to be successful, the evidence must prove that the company has not supplied its services to the standard that would reasonably be expected.
5. On balance I find that the company has supplied its services to the standard that would reasonably be expected in relation to the non-payment of its charges. In particular, I find that the company would reasonably be expected to raise charges against consumers in accordance with its published Charges Scheme and to attempt to collect such payments. In respect of the customer's concerns, I note that:
 - The company had supplied the customer with information on bills and other documentation which would have given him reasonable notice that non-payment would lead to reporting adverse information with CRAs. I am mindful that this is now standard industry practice and is permitted by Ofwat.
 - The customer was aware in 2019 that a bill due for immediate payment was raised against him in an amount of more than £400.00. I find that it would reasonably be expected that he would have known that he had not made payments of that amount in 2019/2020, especially if, as the customer says, he lost his payment card in November 2019. I find that it would therefore have been clear to him that he did not discharge the amounts due.
 - This was also confirmed in 2019 by 4 texts and 2 outbound calls during 2019.
 - The customer knew in 2019 (and complained) that information about indebtedness had been shared with CRAs, so he would have been aware that a failure to pay outstanding amounts would result in the provision of further adverse information. The customer also complains

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that the company has gone into the CRA's file and changed the information on the accounts so as to show arrears at different times. However, I note that there is no supporting evidence for this allegation and I do not find that the customer has proved that the company was deliberately making inexplicable changes to his credit reference data. Although the customer told the company's representative on 4 May 2020 that this was what was happening and he wanted to have nothing further to do with the company, the customer services representative was not able to have access to any such information.

- The customer says that he was told that the account was zero. In his comments on the Proposed Decision, the customer says he initially said that he was told this in May 2020. The company has submitted the call recording for 4 May 2020 and I have listened to this. I find that at no point in the conversation was the customer told that the amount due was zero, indeed, there was no discussion about the bill for the forthcoming year at all. The customer's main focus was to express his dissatisfaction with the company, to get his name off the account and to obtain contact details for making a complaint.
- Even if the customer misunderstood the content of the telephone call of 4 May 2020 so that he believed that he owed nothing, the company corrected this immediately, however, by the issue of a bill to the customer's online management account showing that payments were due. No bill has been issued showing that the customer owed nothing. The customer would appear to have located and read this, because on 4 June 2020, the customer asked for correction of the bill so that the account was closed from 31 March 2020. The customer now says (in his response to the Proposed Decision) that it was during a call in June 2020 that he was told that there was zero to pay. I find, however, that it is improbable that the company told him in June 2020 that he was not liable for past charges, even if for the forthcoming year (because the customer had changed the date back to 31 March 2020) there would be zero to pay for the year 2020/2021.
- One of the customer's complaints, which he has repeated in his comments on the proposed Decision) is that he was told by the company that there is no call recording of him being told that there was zero to pay and he now says that the company has been able to produce a call recording of 4 May 2020. He says that this was a shortfall in customer service and blames the company for poor practice. I find, however, that there is no evidence of bad faith on the part of the company, even though the customer alleges this. The company has

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explained that its policy is to destroy recordings after 6 months for GDPR purposes and I find that this is likely to be so. It was therefore to be reasonably expected that no call recording would be available. Moreover, it is notable that the customer initially told CCWater that he had been told that there was no call recording of a statement in March 2020 that there was nothing to pay. Later he has said that this was in May and now the customer argues that he was told this in June 2020. In any event, therefore, there has been much confusion about what the company was being asked to find.

- Although I accept that an average customer would not reasonably expect a company to tell a customer that no recording was in existence if in fact it was, I find that, even if the company was in error, this has not led to any loss on the part of the customer. As the customer made an error about the date of the call in which he says that he was told that nothing would be payable and the call that he asked about was later found by the company but did not include a statement by a representative that there was zero to pay, I find that the customer has not proved that any failure by the company in its service provision has had any impact on his position. The situation is the same: there is no call recording in which the customer was told that nothing was payable. As explained above, I find that even if a mistake was made or a misunderstanding occurred, the customer was on notice due to the issue of two bills showing an outstanding balance that he would need to pay off the arrears. Both bills were final bills and showed an outstanding amount. I therefore find that the customer was on notice that sums were due and payable by him, notwithstanding the closure of the account. The customer was also sent a text on 3 June 2020.
- The company also sent (in addition to the text of 3 June 2020) reminder letters (Notices of Further Action). Although the company sent these letters to **XX** which the customer says that he had left, the customer had not provided a forwarding address. The customer says that he was not asked for one and as he did not expect a bill, this was a failure on the part of the company. I do not accept that. In response to the two bills supplied to the customer electronically, no payment had been made and the company therefore had no option in relation to postal correspondence but to send it to the last known address. Save that the customer alleges that he was not told of the outstanding amounts (which I have found above he was told about), there is no evidence that the customer had not set up a forwarding arrangement when he moved or that letters addressed to him could not have been received by him.

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- The customer additionally says that he was sent documentation that showed a nil balance. In his response to the company dated 29 January 2021, the documents he relied upon did not show this, however: his online account was headed “account closed” (which is not the same as stating that the account was paid off) and there was a green button inviting him to view the account. There is no evidence that clicking on the green button would have showed a nil balance and the company says that it would not.
 - The credit reference reports about which the customer complains show that an amount of £232.00 was at that time said to be outstanding.
6. Overall, although I recognise that the report of non-payment to a CRA can have harmful consequences when customers seek future credit, I am not satisfied that the customer has shown that the company has provided a sub-standard service to him in reporting his data to a CRA. I find that the company has acted in accordance with its published information and its procedures, which is the course of action that an average customer would reasonably expect.
7. It follows that I find that the company does not need to take further action.

Outcome

The company does not need to take any further action.

What happens next?

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

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- The customer must reply to accept or reject this 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.

Claire Andrews

Claire Andrews, Barrister, FCI Arb.

Adjudicator

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