

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT X578

Date of Final Decision 6 October 2021

Party Details

Customer: The Customer

Company: The Company

Complaint

The customer's claim is that the company is acting unfairly in refusing to extend a Customer Assistance Fund (CAF) type agreement to payments made before the agreement was entered into. She also complains that the company is taking two payments from her benefits where one was promised and that the company has not replied to her complaint. She wants adjustments to the CAF style agreement so that the outstanding balance is written off and an apology.

Response

The company says that the customer has never submitted a completed application for a CAF agreement and this agreement in CAF style was entered into without documentation as a matter of goodwill. As the customer has never shown that she qualifies for CAF, the company is not unreasonable in taking this stance. It would be entitled to receive the amount received from her benefits, even without the CAF agreement, but the customer would not then have her debt paid off by the company.

Findings

I find that the customer is vulnerable. However, the customer has not shown eligibility for CAF. An average customer with the same vulnerabilities would not expect the company to make a further goodwill gesture without full information showing the customer's financial position. This has been only partially supplied by the customer. The company has supplied its explanation fully to the customer on a number of occasions. I find that the customer has not shown that she is entitled to any further remedy.

Outcome

The company does not need to take further action.

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Case Outline

The customer's complaint is that:

- The company failed to deal with her complaint properly or at all. Escalation to the Consumer Council for Water (CCWater) was needed but the company then failed properly to address the issues raised.
- The payments being taken relate to a "CAF style" agreement; however, two payments were debited from Universal Credit but for over one year. The company has failed to recognise this or to backdate the CAF style agreement to reflect that the number of payments actually received exceed the agreed payments.
- The company has failed to properly recognise the customer's health conditions and the impact the stress of the situation is having on her health and finances.
- The customer would like adjustments to the CAF style agreement so that the outstanding balance is written off and an apology.

The company's response is that:

- The company wishes to defend this application. It explains that its Customer Assistance Fund (CAF) is a company designed scheme aimed at helping those in severe financial hardship to clear debt and get on top of their payments. To ensure that the company can help as many people as possible, it has a strict set of criteria which needs to be met. Once accepted onto CAF, and once payments for six months of the current year's charges have been received, the company will clear 50% of a customer's arrears. Once payment has been received for a further six months of the current year's charges, the rest of the arrears will be cleared. A customer's eligibility to CAF is based on their financial circumstances. For instance, a customer would be eligible for the scheme if there is insufficient disposable income with which to clear their arrears

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themselves. Alternatively, if a customer does have enough disposable income after all bills and food are paid for to clear their arrears within a three year timeframe, then they wouldn't be eligible.

- The CAF commencement date begins from the date a successful application is received.
- The company says that whilst it recognises that the customer may have financial difficulties, the company has never received a fully completed CAF application for the customer. A similar agreement was only applied as a gesture of goodwill to assist the Customer and to bring an arrears position to a close, with a start date of 7 January 2021.
- The customer is making regular payment towards her charges through DWP deductions, which means that she will have cleared her arrears, with the assistance of the company, by December 2021.
- The company says that it has reviewed the customer's WATRS application and believes that it has acted fairly and correctly and has not found reason to backdate the start date to January 2020.

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.

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.

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How was this decision reached?

1. I bear in mind that this application concerns a vulnerable customer who is experiencing both financial hardship and has health issues that affect her ability to manage stressful circumstances. In her reply to the company's response, the customer has clarified that her concern is that payments have been deducted from the customer's Universal Credit at the rate of over £49 since January 2020 whereas CAF agreements mean that payments would clear within 12 months. The customer says that she has now already been paying at this rate for 20 months which is "absolutely ridiculous". The customer also refers to her significant and severe health conditions. In her response to my Preliminary Decision, the customer also says she has repeatedly asked both the company directly and via the dispute organisations, whether if she supplies a complete copy of her bank statements for the period whether this would enable further consideration to be made. She repeats the hardship that she says that she has suffered during the period of the deductions.
2. The issue in this case is, I find, whether an average customer would reasonably expect the company to have offered further assistance to the customer by treating payments made before the CAF style agreement came into being as though these qualified for the CAF relief. In the context of this application, I find that an average customer should also be taken to encompass a person who has ill-health and financial difficulties.
3. The company has set out a detailed explanation of the account activity which is included at Annexe 1 to its submissions. I find that the relevant timeline shown in the company's response and supporting documentation, including that submitted by CCWater, is in summary as follows:
 - a. The customer has been billed directly for water and sewerage services by the company at her current address in Newport since 20 January 2015. Before this date, the customer was at another address where she was due to pay water and sewerage charges to **XX** Homes (**XX**) (which collects payment of water and sewerage charges on behalf of the company in certain homes for which **XX** was responsible). The first bill raised directly by the company was for £43.13. This was not paid and two letters were sent to the customer.

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- b. On 1 June 2015, the company wrote to the customer to explain that **XX** Homes had informed the company of a debt of £1,638.91 that the customer owed for unpaid water and sewerage charges at her previous address in **XX**. **XX** had transferred this debt back to the company.
- c. The company billed the customer for this sum together with the payments and sent reminders to the customer including on 9 June 2015 a warning of legal action letter. The customer was told in August 2015 that the matter had been passed a Debt Collection Agency. In November 2015, the company sent a Notice of Intention to file a Default. No contact was received from the customer and no payment made. Default was reported on 18 December 2015. As no payment was received, the company indicated its intention to take legal action in late 2017.
- d. The company's records show that the company received an application for another of its support tariffs through the customer's support worker in March 2017. The company's records explain that the income and expenditure information for this was incomplete and the support worker agreed to go back to the customer for more information. No further contact was received from the customer until 2019.
- e. On 3 July 2019, the support worker called back following a judgment reminder. An income and expenditure exercise was completed to assess eligibility for a support tariff. The company has submitted a record of this conversation which shows that the company informed the customer that because she had disposable income of £319.00 per month and £160.00 spent on tobacco, it was improbable that she would be eligible for CAF. The customer and the support worker agreed that they would review her finances to see if the disposable income could be accounted for and said that she may send bank statements to help support an application for CAF.
- f. By January 2020 the customer's debt had increased to £3,544.11. On 15 January 2020 the customer called the company to say that after bills and food were paid, she had disposable income of £319.00 each month. She said this was insufficient to clear the arrears without assistance. The customer was told that, at that time, a total monthly

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payment of £200.00 would be needed from her disposable income to make payment towards the ongoing charges and arrears.

- g. The company in the meantime applied to the Department for Work and Pensions (DWP) to receive payment through the customer's benefits. This was accepted on 17 January 2020. On 13 February 2020 the company received a payment of £44.38. The company says that this was the first payment received since the customer moved into the property. Payment of charges through DWP deductions has continued since that time.
- h. On 18 February 2020, the Citizens Advice Bureau called on behalf of the customer arguing that the company should disregard the customer's Personal Independence Payment when assessing for CAF. The company explained that it would normally look at all benefits but it had not received a full application or bank statements. It was agreed the customer and CAB would review her position.
- i. On 7 September 2020 the company received an email from **XX** MP on behalf of the Customer, enquiring why the customer's CAF application had been declined. The company explained that it had not declined the application, only asked for the supporting information to be able to assess eligibility.
- j. A further email on 22 December 2020 from **XX XX** MP contained a new application on behalf of the customer, although this again did not include bank statements.
- k. On 7 January 2021, the company agreed to assist the customer with an arrangement similar to the company's Customer Assistance Fund to clear both the judgment debt of £2,511.13 and the live account. The company wrote to **XX XX** MP stating that it had, as requested, disregarded the Personal Independence Payments when assessing the customer's eligibility although it pointed out that it would expect to see bank statements. The company says that there were two parts to a single payment and this was a gesture of goodwill to resolve matters in the absence of the required documents.
- l. On 26 April 2021, the customer complained by email that two payments were being taken from her account. The company responded that only one payment of £48.98 was being taken.

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- m. On 15 July 2021, in consequence, half the customer's debt of £447.16 on the live account was cleared by the company following receipt of six months payments from via the DWP. The company explains that after a further six month's payments, any remaining debt on the live account along with the judgment debt of £2,511.13 will be cleared in December 2021.
4. Having regard to the matters set out above, I find that an average customer would consider that the company had supplied its services at or in excess of the standard that would reasonably be expected. It has not fallen short of reasonable expectations. I reach this conclusion for the following reasons:
- a. The history of the customer's water and sewerage account is that no payments were made over a five-year history (2015 to 2020) until the company applied for direct payments from her benefits. An average customer would, I find, consider that some payments needed to be made for this service, even if the customer was in financial difficulties.
 - b. Direct payments were made before the customer was accepted on to the CAF type agreement. If the company had declined to accept the customer on to the CAF type agreement, the payments by way of deduction would have continued indefinitely until the sum owing was extinguished.
 - c. The CAF scheme is intended for customers experiencing exceptional hardship. I find that the customer is experiencing hardship such that it is improbable that without acceptance onto the CAF scheme or something similar, she would not be able to pay her debt to the company. In her case, therefore, the CAF type scheme is a way for the customer to discharge her liability without making full payment.
 - d. No qualifying application for the CAF scheme has been made by the customer. An average customer would take the view, I find, that in order to be accepted onto a support tariff, the customer would need to show eligibility by the provision of relevant information. Although the customer says that she has offered to provide all her bank statements, I find that she has not as at the date of this decision provided the company with these and

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has not completed her application. It follows that the CAF-type agreement is, I find, a goodwill concession that the company was not obliged to make.

- e. Against that background, I find, it is for the company to decide the extent of the goodwill it is prepared to offer. The company has said that it is not prepared to backdate the goodwill gesture to include previous payments by the customer for services that she has received but not paid for and for which, without the company's goodwill gesture, she would have had to have paid the full amount.
 - f. While I accept that the customer's benefit statement shows that two payments are being made each, these are for the water monthly payment (the live account) in the sum of £28.49 and water arrears (the CCJ) in the sum of £20.58. The company says that these are received in a single payment addressing both aspects of its claim for payment and is authorised by the DWP. I find that there is no element of double payment here.
 - g. Although the customer submits that she would never have agreed to pay the amount currently being taken from her account, it is notable that the company is entitled to take this amount from her benefits without the customer's agreement and without making a gesture that would discharge her debt in December 2021.
5. As for the customer's assertion in this adjudication and in correspondence with the company that the amount deducted from her account is "ridiculous", there is no evidence that the customer has put forward to the company or in the adjudication any information to support her argument that the amount of the deduction is unreasonably harsh. I find that the evidence does not prove that the level of the deduction is ridiculous, even though I acknowledge that the customer has a modest income, that the deductions have continued during the period of the pandemic when the customer has been deprived of additional support, and I accept that the management of her money is a matter that is likely to require her to be cautious and to be potentially stressful.
6. In respect of the handling of the customer's complaint, I find that the company has explained its stance in accordance with the above considerations, to the customer's MP on 17 January 2021, to the customer in May 2021 and via CCWater and directly to the customer in July 2021. I find that the company has responded to the matters raised by the customer and

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explained its position clearly, while not agreeing with the customer's views. I find that the company has met the service standard that an average customer would reasonably expect.

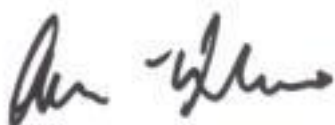
7. It follows from the above that I find that the company has not fallen short of expected standards and therefore I am not able to award the customer the remedies that she has asked for.

Outcome

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 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.



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Claire Andrews, Barrister, FCI Arb

Adjudicator

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