

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X595

Date of Final Decision: 10 November 2021

Party Details

Customer: The Customer

Company: The Company

Complaint

The customer's complaint is about the company registering two water accounts on her credit file, one defaulted account and one active account, when it only has one account on its system. The customer is paying towards the defaulted amount as well as her current bill and is unhappy that her payments towards the defaulted amount are not reflected on her credit file. Therefore, the customer wants the company to remove the defaulted account and show only one account with an arrangement to pay on her credit file.

Response

The Steering Committee on Reciprocity (SCOR), the regulator that monitors information shared with credit reference agencies, issues guidelines regarding the way the water industry should share information about its customers' accounts. To comply with the guidelines, the company has correctly reported that the customer has one active defaulted account and a second on-going account. In view of this, responsibility to remove the defaulted account is denied.

The company has not made an offer of settlement.

Preliminary Findings

The evidence demonstrates that the company has complied with the SCOR guidelines and correctly reported the status of the customer's water services account to credit reference agencies. Therefore, I do not find that the company has failed to provide its service to the standard reasonably expected by the average person and the customer's claim does not succeed.

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Outcome

The company does not need to take any further action.

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Case Outline

The customer's complaint is that:

- Her complaint is about the company registering two water accounts on her credit file; one defaulted and one active.
- The company told her that it only has one account on their system in her name as the two accounts have been merged; however, it has failed to reflect this on her credit file and all her efforts to get the company to change her credit file have been unsuccessful.
- She is paying towards the arrears as well as paying her current bill. The active account on her credit file is showing as 'Arrangement to Pay', while the second account is showing as being defaulted, even though she is paying towards it.
- The company says that the second account was created to record the account status after the default, and claims that this is in line with the way the water industry shares data with credit reference agencies.
- The company has confirmed that she is paying through its payment matching scheme and, therefore, her payment plan incorporates her defaulted charges and it reports the status of her account as having an arrangement to pay.
- She remains unhappy as her payments towards the defaulted account are not reflected on her credit file and this is affecting her credit score. Therefore, she wants the defaulted account changed to demonstrate that there is an arrangement to pay and she wants the company to show only one account on her credit file.

The company's response is that:

- The Steering Committee on Reciprocity (SCOR), the regulator that monitors information shared with the credit reference agencies, issues guidelines regarding the way the water industry shares information about its customers' accounts.
- The water industry is different to other organisations who share data with credit reference agencies because it has a statutory obligation to continue to supply water to customers regardless of whether customers pay for the service or not. Organisations that provide services

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such as mortgages, credit cards and mobile phones will register defaults to reflect a customer's non-payment and terminate future agreements, meaning no further debt can be incurred. Whereas, following non-payment of a water account, its agreement with its customer does not end and it continues to provide water services for as long as the customer lives at the property it supplies.

- Once a customer falls behind with payments, a Default Notice is sent and if full payment is not received or a payment arrangement is not agreed, a Default is registered. Typically only one default will be registered by organisations for non-payment before a service is withdrawn. To enable water companies to comply with the principle of only reporting one active Default at any one time for any one property, guidance has been provided by SCOR that outlines how water companies should report to avoid the registration of multiple defaults for a single unpaid water account.
- SCOR has produced a document called the Data Quality Reference Guide in conjunction with water companies and regulators. This document states that in line with industry and ICO guidance, at any time during a six year period, a customer should only have one open default account and (potentially) one open active full data record. It also says that when the next payment is due after a default, a new account should be registered with the credit reference agencies.
- To comply with the guidance, it has correctly reported one active defaulted account and a second on-going account.
- As the customer previously defaulted on her payments but still receives water services, the SCOR guidelines do not allow it to report only one account to credit reference agencies. In view of this, responsibility to remove the defaulted account is denied.

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

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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. Having reviewed all the evidence provided by the parties, I find that the company is not obliged to remove the default recorded on the customer's account, even if she is making payments towards the defaulted balance. I also find that the company has complied with the guidelines issued by SCOR and has correctly reported that the customer has a defaulted account and an on-going account to credit reference agencies.
2. The customer states that she would like her credit report to show that she is making payments towards her defaulted balance. However, once an account has defaulted, a credit report cannot show that payments are being made towards the defaulted balance. That said, once the defaulted amount has been repaid in full, or the customer settles the debt with the company, the status of the defaulted account should be updated to reflect this and the customer's credit score may improve as a result.
3. In view of the above, I do not find that the company has failed to provide its service to the standard to be reasonably expected by the average customer and, therefore, while I appreciate that the customer will be extremely disappointed by my decision, the customer's claim cannot succeed.

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.
- The customer must reply by 24 November 2021 to accept or reject this decision.

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- 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.

K S Wilks

Katharine Wilks

Adjudicator

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