

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X642

Date of Final Decision: 23 November 2021

#### Party Details

Customer:

Company:

#### Complaint

The customer claims that the company has applied several unfair defaults to his credit file without prior notification or reminders. The customer is seeking the company to remove the defaults from his credit file.

#### Response

Due to his payment history, the company says the customer was aware before the second default was entered on his credit file that there was a balance outstanding on his account. As the customer failed to keep his account up to date regarding payment, the company is entitled to begin its recovery process according to its policy set out in its Charges Scheme. The defaults on the customer's account were correctly reported, and the company cannot remove them. The company has not made any further offers of settlement.

#### Findings

I am satisfied that the evidence shows the company did not fail to provide the customer's services to the standard reasonably expected concerning placing adverse credit marks on the customer's account. Furthermore, I am satisfied there have been no failings concerning customer service as the evidence shows that the company has provided a reasonable level of service throughout its dialogue with the customer.

#### Outcome

The company does not need to take any further action.

The customer must reply by 21 December 2021 to accept or reject this decision.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

# ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT-X642

Date of Final Decision: 23 November 2021

## Case Outline

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

- The company has applied several unfair defaults to his credit file without prior notification or reminders.
- The customer is seeking the company to remove the adverse credit marks on his account.

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

- Due to his payment history, the customer was aware before the second default was entered on his file that there was a balance outstanding on his account.
- As the customer failed to keep his account up to date regarding payment, the company is entitled to begin its recovery process according to its policy set out in its Charges Scheme.
- The defaults on the customer's account were correctly reported, and the company cannot remove them.

## 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 another disadvantage as a result of a failure 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.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

I have carefully considered all 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 centres on whether the customer is entitled to have the adverse credit marks on his account removed where the company has not reminded him of any outstanding balance.
2. The company must meet the standards set out in OFWAT's Charges Scheme Rules, the Water Supply and Sewerage Services (Customer Service Standards) Regulations 2008 and the Water Industry Act 1991.
3. The company also has certain obligations regarding its customer services as set out in OFWAT Guaranteed Standards Scheme and its own Guarantee Standards Scheme (GSS).
4. From the evidence put forward by the customer and the company, I understand that despite the company sending regular bills, reminders, legal notices and attempting to call the customer on several occasions, the customer's account has remained overdue for varying periods since October 2008. The evidence shows that the first default was issued in November 2014, and the debt eventually became statute-barred and was written off.
5. On 9 November 2018, the customer contacted the company to request a payment plan and to be placed on the company's Payment Match Scheme. The evidence shows that between December 2018 to March 2019, the customer was on the Payment Match Scheme and the company matched his monthly payments. However, in April 2019, the customer failed to make payment, and after the company made failed attempts to contact the customer, he was then removed from the scheme.
6. I understand that a second default was entered for £3,204.13 in October 2020 as the customer had made no payments or contact since May 2019. In February 2021, the customer contacted the company stating that he had never received notifications or reminders about his outstanding balance and that the company should remove the second default from his credit file. However, the company was of the view that the defaults on the customer's account were correctly reported, and the company would remove them.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

7. Following the earlier correspondence in February 2021, the customer also applied to the company's Trust Fund and was awarded £3,000 on 26 February 2021, clearing most of his arrears and settling the second default. The evidence shows that the customer now pays by Direct Debit, and his account is up to date.
8. On 13 April 2021, the customer progressed his complaint about the second default and the lack of notification to CCWater to resolve, however, without success. The customer remained unhappy with this outcome, and on 22 September 2020, commenced the WATRS adjudication process.
9. As to whether the company was correct to report any late payment to the credit reference agencies, section 143 of the Water Industry Act 1991 gives the company the power to set a Charges Scheme, where a bill has not been paid, in line with the company's Charges Scheme, a debt recovery process is in place for all of its customers. In compliance with OFWAT's guidelines on collecting debt, if no payment plan is in place with the company or full payment has not been received, the company is entitled to report any late payment to the credit reference agencies and pass the debt onto a debt collection agency.
10. Whilst I appreciate the customer's position concerning the lack of notification or reminders, as an outstanding balance existed on the account, I find that the company was entitled to report any late payment to the credit reference agencies. It is for the customer to monitor his accounts and be aware that any payment has not been made.
11. On reviewing the evidence, I find correspondence relating to the overdue balance between 2018 and 2020 and evidence of various attempts by the company to contact the customer. I note that the customer says that the company never provided any correspondence regarding the outstanding balance, and therefore he was unaware of the balance. On the balance of probabilities, I find that I am persuaded that the company did send notifications and reminders of the outstanding balance, and therefore the company did not fail to contact the customer regarding the due balance. Considering the above, I find that it has not been proven that the company was unable to provide its services to the customer to the standard to be reasonably expected by the average person concerning its debt recovery processes.
12. The company has certain obligations in respect of its customer services. As evidenced by the timeline within the company's response documents, I am satisfied that by the end of the company's dialogue with the customer, the company had adequately explained the reasons behind why it

***This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.***

was entitled to report any late payment to the credit reference agencies. Therefore, I find that the company has provided a reasonable level of service throughout its dialogue with the customer, and no sums are due in this respect.

13. The customer has made minor comments on the preliminary decision stating that he was unable to take the telephone call from the company as he was working. Having carefully considered each aspect of the customer's comments I find that they do not change my findings, which remain unaltered from the preliminary decision.

14. In light of the above, I find the customer has not proven the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning placing adverse credit marks on the customer's account, nor has the customer proved the company failed to provide services to the standard to be reasonably expected when investigating these issues. Furthermore, I am satisfied there have been no failings concerning customer service as the evidence shows that the company has provided a good level of service throughout its dialogue with the customer.

#### 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 21 December 2021 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.



*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*



**Mark Ledger FCI Arb  
Adjudicator**

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

**[www.WATRS.org](http://www.WATRS.org) | [info@watrs.org](mailto:info@watrs.org)**