

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT/X650

Date of Final Decision: 30 November 2021

Party Details

Customer:

Company:

Complaint

The customer complains that the company has not provided financial compensation for an error whereby the company sent bills relating to a tenanted property to the tenant's address even though the landlord had stated that the bills were the landlord's responsibility. This meant that the customer was unaware of an unpaid bill or that late payment was reported to a credit reference agency. The customer asks the company to pay compensation or financial penalty of £274.96.

Response

The company agrees that it sent the bills and other correspondence to the tenant's address and not to the customer. In consequence it has apologised and corrected the customer's credit file. The company denies liability to give a financial remedy because the customer made a mistake when completing the online form and said that he was liable for the bills.

Preliminary Findings

An average customer would reasonably expect that the company would bill the customer at the address provided by the customer and it was foreseeable that if the company sent correspondence to the tenanted property, the landlord would not know. An average customer would also reasonably expect that the company would check that the customer had been properly billed before taking collections action and sending information to debt collection agencies. The customer told the company that he would be liable to pay the bills. It is not fair and reasonable that the company should compensate the customer for this, but an average customer would reasonably have expected the company to make a goodwill gesture in these circumstances. A fair and reasonable amount is £50.00.

Outcome

The company needs to pay £50.00 to the customer.

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Case Outline

The customer's complaint is that:

- The company says that he ticked the 'wrong box' when registering the property with the online TAP portal (indicating that the landlord rather than the tenant should be paying the water bills). The customer says that he disagrees and refutes that suggestion because there would clearly be no point in his stating a thing that was untrue and it would be counterproductive.
- The tenant left without paying but the company but did not send the customer any communications - instead sending bills and debt collection letters to the rental address. Consequently, the customer was completely oblivious to the problem. The company accepts that this was a mistake on its part but believes that 'sorry' is sufficient.
- Because the company's policy is not to backdate, the customer was deemed responsible for the bills and the delay in becoming aware of the situation (caused by the mistake) directly and solely contributed to the amount 'owed'. The company also admits to advising credit agencies and giving detrimental credit information in this respect.
- The company is completely responsible for the error but has failed to take responsibility for the customer's financial loss/risk to personal financial reputation. The customer asks for "a financial penalty" or compensation that is representational of the stress and inconvenience. This should be at least equal to the customer's financial risk/loss and, in this case, an additional element to also take into account the risk to financial reputation caused by the sending of adverse credit information without due cause.
- The customer has therefore requested £274.96.

The company's response is that:

- The company has not submitted a narrative response to the claim but has supplied appendices and said in correspondence with the Consumer Council for Water (CCWater) and with the customer that, because the customer when entering details on the TAP online form, answered

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the question about liability for the company's charges with an entry "owner/landlord" it had made clear that the landlord, not the tenant, was liable for bills.

- Although the customer had provided his own address, the company directed its bills in the customer's name to the tenanted property. As the company accepts that the customer was billed at an incorrect address, the company has removed the adverse credit markers against the customer's name.
- The customer has asked for compensation of twice the unpaid amount but this has been refused by the company because the problem arose in consequence of the customer's original error.

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.

I have also considered the customer's response to the Preliminary Decision. The customer has expressed frustration with the automated part of the online dispute resolution service and inability to read the company's narrative summary that CEDR confirms was supplied on 12 November 2021. I have considered this in respect of my Final Decision.

How was this decision reached?

1. The dispute between the parties arises out of the operation of the TAP online service. This implements law contained in the Water Industry (Undertakers Wholly or Mainly in Wales) (Information about Non-owner Occupiers) Regulations 2014. The purpose of the law is to enable

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water companies to have the details of occupiers of rented properties so that they are better able to obtain payment of bills from those occupiers. Landlords/owners are therefore required to provide details of their tenants/occupiers, and if they do not, the landlord can become liable for the bills.

2. The company has submitted documentary evidence in response to the application, but it did not initially provide a narrative account. This has now been supplied and confirms the position previously stated by the company in correspondence that the customer made a mistake when filling in the online form, because he answered the question “Who is responsible for charges at this property?” by stating “owner/landlord”. I find that it is a reasonable inference that the company regards this as a “mistake” because the purpose of the form was to identify the person primarily responsible for paying the water and sewerage bills, and the arrangement as between the customer and tenant was in fact that this should be the tenant. It may also be the case that during a telephone conversation with the customer, he has agreed that he pressed the wrong button when populating the form.
3. The online form shows that the identity of the tenant was given to the company, as was the address of the rental property and the landlord’s own address, which was different from that of the rental property. I am satisfied that the customer had provided the company with the expected information but that, as the information given was that the landlord was liable for charges, the company would reasonably have understood that it needed to issue bills to the customer.
4. The customer says that he has also been told by the tenant that the tenant had registered with the company on 17 March 2021, and had received a confirmation, but I have not been provided with a copy of that confirmation and the company says that it has no record of the registration. I do not therefore place weight on this.
5. I find that an average customer would, in the circumstances, reasonably expect that the company would bill the landlord at the address provided for the landlord, not at the property that was subject to the charges. I find that the company had no reason to believe that the landlord was resident at the tenanted property. I find that it was foreseeable that by sending correspondence to the tenanted address, the landlord might be unaware of any correspondence. In particular, I am mindful that the tenant would have had no right to open

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correspondence that was addressed to the landlord, so that the content of any envelope would have remained unread.

6. The documentation shows, however, that a first bill for the property was issued on 18 March 2021, including charges for the forthcoming year, in the sum of £599.59 addressed in the name of the landlord but sent to the tenant's address. This was payable by 1 April 2021 but was not paid. The company sent correspondence, namely a reminder letter, a Final Notice and a letter informing the customer that the account was being sent to a debt collection agency. The company also reported the late payment to a debt collection agency. I find that, irrespective of whether the customer made a mistake, the company in this regard did not provide its services to the standard that would reasonably be expected. This was particularly so when the company began to take collections activity. I find that an average customer would not reasonably have expected that a company would instruct a debt collection agency and make a report of late payment to a credit reference agency without ensuring that the customer had been correctly billed.
7. The evidence indicates that the customer became aware of the situation only after the correspondence was handed over to him in June 2021 and he complained on 3 June 2021.
8. The company has now reversed the charges for the forthcoming year and issued a Final Bill which records the amount of £137.48 as having been paid. It has also made an apology for its mistake and has corrected the customer's credit file.
9. I turn to the remedy that the customer asks for, namely a direction that the company should pay him twice the amount of the bill of £137.48.
10. It is not clear that the customer has suffered a financial loss. In correspondence, the customer says that his tenant has been cooperative, by which I understand that the tenant has made payment of the amount of £137.48. My understanding as to this has been reinforced because I made a direction to the customer to provide evidence to show that the customer paid the company the amount of £137.48 which the customer repeated in response to my Preliminary Decision was the loss. No evidence was produced. I therefore find that the customer's loss was as stated by him on 3 June 2021 namely "several hours sorting out this today and have lost almost half a day of my time". He has also suffered some reputational damage in that a late payment marker was placed on the customer's credit file at the start of June but had been

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reversed by 23 June 2021. The company informed the customer that although the amendments would be shown within 48 hours, it could take up to eight weeks for the customer's personal credit file to be corrected.

11. The question, therefore, is whether the company should bear full responsibility for this. On balance, I find that the loss was primarily a consequence of the customer having informed the company that he, rather than the tenant, was liable for the bills. I do not find that the company would reasonably be expected to bear in full a loss arising from a liability for which the customer had assumed liability in an online form.
12. On the other hand, I have also found above that by sending relevant documentation to the tenant's address, the company had not met the service standards that an average customer would reasonably expect. In these circumstances, I find that an average customer would also reasonably expect that a company would make a goodwill gesture. On an assessment of seriousness, I find that the error made by the company is more significant than a late response to a complaint or failure to attend an appointment, when payments would be made to customers under the company's Guaranteed Service Standards scheme.
13. I find that the purpose of such a gesture would be to compensate the customer for inconvenience and distress: I do not have jurisdiction to impose any form of "financial penalty" as requested by the customer. Such a direction is not within the scope or intentions of this Scheme. I do not, therefore, find that it is fair and reasonable to direct that the company should pay £274.96. Taking into account that the company has already made an apology and taken steps to correct the customer's credit file, and also taking into account the level of payment for administrative errors under the company's Guaranteed Service Standards scheme, I find that a fair and reasonable sum by way of compensation is £50.00. I direct that this sum shall be paid.

Outcome

The company needs to pay £50.00 to the customer.

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Claire Andrews

Adjudicator name, Barrister, FCI Arb.

Adjudicator

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