

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X693

Date of Final Decision: 20 December 2021

Party Details

Customer: The Customer

Company: The Company

Complaint

The company incorrectly referred his account to a debt collection agency, which caused him distress. The customer is also dissatisfied that the company used a debt collection agency that treated him poorly. The customer's claim is for the company to pay him £2,500.00 in compensation for inconvenience and distress.

Response

It acknowledges that it made a mistake when arranging a home move on the customer's account, which created an outstanding balance on the account. It acted promptly to rectify the issue and it resolved the issue at the first contact from the customer. It offered the customer £350.00 in compensation, and the customer declined the offer.

Findings

The customer's complaint about the service the debt collection agency provided to him falls outside the scope of the Scheme. The customer's complaint that the company instructed/continues to instruct a debt collection agency that provided him with a poor level of customer service also falls outside the scope of the Scheme. I cannot adjudicate on these matters that fall outside the scope of the Scheme. The company does not dispute that it incorrectly referred the customer's account to a debt collection agency. In view of the company's admission and in view of the evidence, I find that the company managed the home move on the customer's account in a manner that fell below the standard to be reasonably expected by the average person. The company caused the customer inconvenience and distress as a result, and £200.00 in compensation for inconvenience and distress is justified on the facts of this case.

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Outcome

The company shall pay the customer £200.00 in compensation.

The customer must reply by 20 January 2022 to accept or reject this decision.

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Case Outline

The customer's complaint is that:

- The company incorrectly referred his account to a debt collection agency.
- He was very distressed by the company's error and the error immensely affected his mental health at a time when he was recovering from a major operation.
- The customer's claim is for the company to pay him £2,500.00 in compensation for inconvenience and distress.

The company's response is that:

- It made an error when arranging a home move on the customer's account. It did not close the customer's previous account, which created an outstanding balance on the account and the account was referred to a debt collection agency.
- It acknowledged that it made mistakes and it acted promptly to rectify the issue. It resolved the issue at the first contact from the customer on 29 July 2021.
- It offered the customer £350.00 as a gesture of goodwill. Its offer is fair and exceeds the amount it has offered customers in similar circumstances. The customer declined the offer.

The customer's reply is that:

- He is dissatisfied with the way the company treated him. The company did not send a reminder letter to him in relation to his account before it referred the account to the debt collection agency.
- He was unable to complain because the letter from the debt collection agency did not include an email address and the debt collection agency refused to close the case until it heard from the company, which caused him further distress.

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- The debt collection agency treated him poorly, and he is dissatisfied that the company used a debt collection agency that treated him poorly.

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.

How was this decision reached?

Scope of the Scheme

1. I cannot make any findings or directions regarding the customer's complaint about the service the debt collection agency provided to him. This is because the debt collection agency is not a party to this complaint and it is not a company that participates in the Water Redress Scheme (Rule 1.1 of the Water Redress Scheme Rules 2020 Edition).
2. I am also unable to make any findings or directions regarding the customer's complaint that the company instructed/continues to instruct a debt collection agency that provided him with a poor level of customer service. This is because the company's decisions regarding its use and choice of debt collection agencies is a commercial matter for the company and is not a matter upon

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which I can adjudicate (Rule 3.5 (commercial practices) of the Water Redress Scheme Rules 2020 Edition).

The dispute

3. The customer's complaint is that the company incorrectly referred his account to a debt collection agency which caused him distress. The company does not dispute this complaint. It admits that it made an error whilst arranging a home move on the customer's account. It admits that due to its error, an outstanding balance was incorrectly created on the account and this resulted in the referral to the debt collection agency.
4. In view of the company's admission and in view of the evidence, I find that it has been shown that the company managed the home move on the customer's account in a manner that fell below the standard to be reasonably expected by the average person. I find that the company caused the customer inconvenience and distress.

Remedy

5. Given the findings at paragraph 4 of this decision, I find that the customer is entitled to compensation for inconvenience and distress.
6. When dealing with claims for inconvenience and distress, I consider the guidelines set out in the WATRS guide to compensation for inconvenience and distress. I note the amount of compensation the customer claims, and I also note that the customer has not accepted the company's settlement offer of £350.00. In considering the appropriate amount of compensation in this case, I am mindful that I am required to issue an award that is reasonable and proportionate to the issues in the case. I should clarify that I am not bound by an offer made by the company, and a potential outcome of a matter proceeding to adjudication is that a customer could be awarded a lesser amount than an offer made by the company.
7. Having considered the facts of this case and with reference to WATRS' guide, I consider that £200.00 is reasonable and proportionate. In deciding the amount of compensation in this case, I have taken into account that the customer has needed to spend time contacting the company about this issue, which he would not have needed to do had the company's service not fallen below the standard to be reasonably expected. I have noted the severity of the inconvenience caused to the customer. In mitigation, I note that the company dealt with the issue promptly

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having rectified the matter at the first contact from the customer, and there is no evidence of an ongoing adverse effect on the customer's credit record.

Outcome

The company shall pay the customer £200.00 in compensation for distress and inconvenience.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 20 January 2022 to accept or reject this decision.
- If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date on which WATRS notifies the company that you have accepted my decision. If the company does not do what I have directed within this time limit, you should let WATRS know.
- If you choose to reject this decision, WATRS will close the case and the company will not have to do what I have directed.
- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.



Ile Ezeogu LLB (Hons), Solicitor

Adjudicator

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