

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X706

Date of Final Decision: 16 February 2022

Party Details

Customer: The Customer

Company: The Company

Complaint

The customer purchased a property in August 2020 but, due to the Covid-19 restrictions and her personal circumstances, she was unable to move into the property at that time. On 3 September 2021, the customer collected her post and became aware that a water account had been set up in her name and the company was chasing her for payment. The customer arranged to pay the outstanding balance immediately and the company said her credit report would not be affected, but it reported a default to the credit reference agencies (CRAs) anyway. The customer was experiencing very difficult personal circumstances when this happened and, therefore, she would like the default removed from her credit file.

Response

The customer purchased the property in August 2020 but did not make contact to set up an account for water services. Therefore, in September 2020, the company sent an Empty Property Notification Letter and, when the customer did not respond, it sent further letters. On 5 February 2021, the company opened a new account in the customer's name and sent bills to the property, but these were not paid. The company followed its debt collection procedure and a default was reported to CRAs on 13 July 2021. The information reported was accurate and responsibility to remove the default is denied.

The company has not made an offer of settlement.

Findings

The evidence demonstrates that the company correctly reported the status of the customer's water services account to CRAs. Therefore, I do not find that

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.

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.

Outcome

The company does not need to take any further action.

ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT-X706

Date of Final Decision: 16 February 2022

Case Outline

The customer's complaint is that:

- Her complaint is about the company registering a default on her credit file.
- She purchased a property in August 2020 but, due to the Covid-19 restrictions, she was unable to carry out any work on the property and, therefore, she was unable to move in. As she was not resident at the property and was not using any water, she did not think she needed to set up a water account.
- On 3 September 2021, she was able to attend the property and she collected her mail. The mail included letters from the company saying that a water account had been set up in her name and asking her for payment. She immediately telephoned the company to arrange payment and when she enquired whether her credit rating would be impacted by her late payment, she was told that it would not be and no default would be registered on her account.
- On 12 September 2021, the company sent a letter stating that if her account was not paid in full, her credit rating could be affected. By this time, her account had already been paid in full but the company reported a default to credit reference agencies anyway, even though she did not receive a notification of default letter. The company admitted that it told her a default would not be registered, and it offered her a £25.00 goodwill payment for the mistake, but she has not received the cheque.
- CCW asked the company to remove the default due to the difficult circumstances she was experiencing at the time; her mother died in March 2020 and she was the sole carer for her father, she is a nurse and was under considerable pressure at work due to the pandemic, she was not resident at the property during the period in question, and the company did not try to contact her by any method apart from by post, so she was unaware that there was an outstanding balance on her account.
- The company has refused to remove the default on the basis that the information it provided to the CRAs was factually correct. However, when she has previously entered into credit agreements with lenders, she has known about it, signed a contract, and provided her telephone number and email address so the lender could contact her if necessary. If the company had

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.

contacted her by email or telephone, she would have responded immediately, but it did not give her the opportunity to provide her email address or telephone number.

- She does not have any outstanding debt and she always keeps her financial affairs in good order, so the default is not a true reflection of how she manages her financial commitments.
- Not only has the company acted unfairly, but it has also provided very poor customer service. This has been very upsetting and stressful and her doctor has prescribed her anti-depressants.
- In view of the above, she would like the default removed from her credit file.

The company's response is that:

- The customer's unmetered property was showing as empty on its records from August 2020, so it sent a standard Empty Property Notification Letter addressed to 'The Occupier' on 12 September 2020 to advise the occupier that any water being used must be paid for. The letter also explained that it shares data with CRAs and that, in the event of an unpaid bill, it may file a default.
- As there was no response to the first letter, it sent a Notification of Occupation Letter on 9 January 2021. This letter was addressed to the customer and explained that she may be liable for charges, and it asked her to check it had the correct details and to make contact. The letter also said that if there was no contact within fourteen days, it would make additional enquiries which may result in an account being opened in the customer's name. Again, the letter explained that it shares data with CRAs and that in the event of an unpaid bill, it may file a default.
- Again, there was no response to this letter, so it sent an Intention to Bill Letter on 23 January 2021. This letter advised the customer that it was about to send her a bill based on the information it had found, and it repeated the information about sharing information with CRAs and that a default could be registered if payments were not made.
- On 5 February 2021, it opened a new account for the customer and a bill was sent covering the period from 8 January 2021 to 31 March 2021. This was followed by a bill sent on 19 February 2021, covering the new financial year from 1 April 2021 to 31 March 2022. A reminder was sent on 27 April 2021, and a Legal Notice was sent on 14 May 2021.
- The Notice of Intention to File a Default was sent to the property address on 15 June 2021, and this advised the customer to make contact by 13 July 2021 to make payment in full or set up an agreed payment arrangement. As no contact was received, the default was filed automatically on 13 July 2021.
- The customer says that when she telephoned on 3 September 2021 she believed she had a month to pay in full from that date and, if she did, the default would not be filed; however, this is

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.

incorrect as the deadline date for payment in full or for setting up a payment arrangement was 13 July 2021.

- When the customer called on 3 September 2021, the call was transferred to Orbit, a debt collection agency, to set up a payment plan but the default was not discussed during this call. When the customer called back approximately twenty minutes later, the default was discussed. To acknowledge this, it has offered the customer £25.00 as a gesture of goodwill.
- It understands that the customer did not move into the property straight away as it was being renovated; however, she had the “benefit of supply” from the purchase date in 2020 and is obliged to pay for it.
- It tries to contact its customers by multiple methods but prior to the customer’s telephone call on 3 September 2021, it did not have a contact number or email address for the customer.
- It appreciates that the customer’s personal situation and circumstances have been difficult, however, the information it shared with the CRAs was a true reflection of her account at that time and the default was correctly issued.
- It has followed all of its relevant policies and processes, and the applicable legal and regulatory requirements, and it has not failed to provide it service to the standard reasonably expected by the average person. In view of this, liability to remove the default 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 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.

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.

How was this decision reached?

1. Having considered the response provided by the company, I accept that the company has a duty to report factually accurate information about the status of its customers' accounts to CRAs. Therefore, as the adjudicator in this dispute, I can only direct the company to instruct the CRAs to remove the default if the evidence shows that the company has failed to provide its service to the standard reasonably expected by the average customer by reporting inaccurate information, or by failing to comply with its policies and procedures, or the applicable legal and regulatory requirements, when the default was registered.
2. The customer accepts that she purchased the property in August 2020 and that she did not contact the company, or make payment for the water services provided to the property, until September 2021. As the customer did not contact the company to open a water account, I accept that, in accordance with the Water Industry Act 1991, the company was entitled to open an account in the customer's name and send her bills for the water services provided to the property.
3. The customer complains that the company failed to contact her by any method other than letters to the property, and she explains that, due to the Covid-19 restrictions and her personal circumstances, she was unable to collect her mail until September 2021. The company states that it was unable to contact the customer by any other method until she provided her email address and telephone number on 3 September 2021.
4. I acknowledge the very difficult personal circumstances the customer was dealing with between August 2020 and September 2021, but the customer's personal circumstances do not change the fact that if the customer had contacted the company to set up an account when she purchased the property, as she was obliged to, and she had provided her contact details at that time, the customer would have received the letters and bills the company sent. Therefore, I accept that the company had no choice but to contact the customer by letters sent to the property address until she provided alternative contact information in September 2021.
5. On balance, I find that the evidence shows that the company complied with its policies and procedures, and the relevant regulatory and legal requirements, when it reported the default on

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.

13 July 2021, and the information shared was a true reflection of the status of the customer's account at that time.

6. I understand the customer's frustration about being told that her late payment would not affect her credit score when the evidence demonstrates a default had already been reported, but I do not find that this undermines the company's right to report the default. That said, I am pleased to note that the company has offered the customer £25.00 as a gesture of goodwill to acknowledge its mistake.
7. In view of the above, while I understand that the customer will be disappointed by my decision, I do not find that the company has failed to provide its service to the standard reasonably expected by the average person by reporting a default on the customer's account. Therefore, the customer's claim cannot succeed and I make no direction to the company in this regard.
8. Following the preliminary decision, the customer commented that she did not receive a Default Notice Letter when she collected her mail from the property in September 2021. I do not doubt the customer's recollection of what letters she received from the company, however, having considered the evidence provided by the company, I find that on the balance of probabilities the company sent a Default Notice Letter to the customer on 15 June 2021. In view of this, my decision remains unchanged.

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 2 March 2022 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.

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.

- 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

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.