



ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/X771

Date of Decision: 11 March 2022

Party Details

Customer: Customer

Company: Company

Complaint

The customer has a dispute with the company regarding its refusal to remove negative markers wrongly entered on her credit history file. The customer says that when she moved out of her dwelling she did not cancel a Direct Debit in favour of the company and expected all outstanding payments to be collected by the company. However, the customer says the company cancelled the Direct Debit without her authority and hence the account fell into arrears. The customer says she has requested the company remove the markers but it refuses to do so. The customer claims that despite ongoing discussions with the company and the involvement of CCWater the dispute is unresolved and therefore she has brought the claim to the WATRS Scheme and asks that the company be directed to remove the markers and pay her a financial goodwill gesture.

Response

The company denies any liability to the customer to remove the markers, and says it followed all the required procedures after the customer's failure to advise it she was vacating the property. The company did not make any formal offer of settlement to the customer.

Findings

I find that the evidence supports that the company cancelled the Direct Debit without the authority of the customer, and I further find that the customer was reasonably to have understood that all payments due to the company would be taken by it to ensure no arrears occurred. I find that the evidence shows that the company has failed to provide its services to a reasonable level and has failed to manage the customer's account to the level to be reasonably expected by the average person resulting in disadvantage to her.

Outcome

The company shall take the following actions:

1. Take all reasonable steps to remove the negative markers off the customer's credit history file.
2. Pay the customer the sum of £250.00 in compensation.

The customer must reply by 05 April 2022 to accept or reject this decision.

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Case Outline

The customer's complaint is that:

- She has experienced an ongoing dispute with the company concerning issues with billing on her account. Despite the customer's recent communications with the company, and the involvement of CCWater, the dispute has not been settled.
- She took up residence in the property in the middle of 2020.
- After being contacted by the company and advised it had opened an account in her name, she, in December 2020, set up a Direct Debit mandate to make regular monthly payments into the account. She understood that this was the payment method promoted by the company.
- In June 2021 she vacated the property. She did not cancel the Direct Debit and notes a payment was taken by the company on 23 June 2021.
- She acknowledges that she did not advise the company of her vacating the premises and consequently was surprised to understand that the company had terminated the Direct Debit authority and closed her account.
- These actions by the company were not made known to her and thus resulted in two missed payments being recorded on her account.
- She contacted the company after becoming aware that it had placed negative markers on her credit history file, but she asserts that the company refused to remove the markers.
- Believing the company had not properly addressed her concerns she, on **XX** October 2021, escalated her complaint to CCWater who took up the dispute with the company on her behalf. The records show that CCWater contacted the company and has been involved in the dispute since.
- Communications continued between the three stakeholders throughout October and November 2021 and on **XX** December 2021 CCWater issued an escalated complaint to the company.
- The company responded to CCWater by its letter dated **XX** December 2021 answering in detail all its requests for information and clarification and confirmed that it would not remove the negative markers off her credit history file.

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- CCWater advised her on **XX** January 2022 that it believed the company had issued its final position on the dispute and therefore it concluded that it could not take any further measures to have the company change its position and was thus closing her case.
- Continuing to be dissatisfied with the response of the company she has, on **XX** January 2022, referred the matter to the WATRS Scheme where she requests that the company be directed to review its debt recovery process and remove the markers, review the customer service provided, provide her with a gesture of goodwill.

The company's response is that:

- It provided its response to the claim in its submission dated **XX** February 2022.
- The customer did not advise it when she took up occupancy of the dwelling in 2020.
- It opened an account in her name on **XX** June 2020 and on **XX** December 2020 she set up a Direct Debit facility to make monthly payments into her account.
- On **XX** June 2021 it was advised that a new occupier would be responsible for water charges at the property as from **XX** June 2021. Thus, it closed the customer's account on **XX** June 2021.
- Its records show that the customer did not contact it to advise she was vacating the property and the company was not able to update her details – including forwarding address, mobile telephone number, etc.
- When the account was closed the Direct Debit mandate was automatically cancelled.
- Its Household Charges Scheme states it is the responsibility of customers to inform it of any changes that will affect their charges.
- As the customer did not inform it that she was vacating the property the final bill was sent to the property and on **XX** June 2021 it sent a text message to the customer's mobile telephone number it had on record. The company acknowledges that it had recorded an incorrect number on the account.
- On **XX** July 2021 and **XX** August 2021 negative markers were placed on the customer's credit history file because the account had an ongoing outstanding balance. It acknowledges that the customer paid the outstanding balance on **XX** September 2021.
- It further acknowledges that the customer advised it on **XX** October 2021 that she had previously set up a mail redirect facility with the Royal Mail, and it notes that the final bill sent to her property was not returned to it as undelivered.

- Since February 2011 it has reported the status of customers' accounts to credit reference agencies, and this is made known to all customers.
- In summary, it believes the charges raised against the customer were in accordance with its Charges Scheme and thus payable, and that the customer failed to advise it that she was leaving the property. The company says that it has followed its own policies, and the legal and regulatory requirements. It does not agree to pay any compensation to the customer.

The customer's comments on the company's response are that:

- On XX February 2022, the customer submitted comments on the company's Response paper. I shall not repeat word for word the customer's comments and in accordance with Rule 5.4.3 of the Rules of the WATRS Scheme I shall disregard any new matters or evidence introduced.
- The customer acknowledges that she did not inform the company when she vacated the property. The customer reiterates that she did not cancel the Direct Debit mandate and had the company not done so the final bill would have been settled and she notes that the company took a payment from her bank account on XX June 2021. The customer also takes note that the company acknowledges that it incorrectly recorded her mobile telephone number.

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 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.

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How was this decision reached?

1. The dispute relates to the customer's dissatisfaction that the company has incorrectly entered negative markers on her credit history file and refuses to remove them. The company contends that the markers are correct and declines to recall them.
2. I note that the WATRS adjudication scheme is an evidence-based process, and that for the customer's claim to be successful, the evidence should show that the company has not provided its services to the standard that would reasonably be expected of it.
3. I accept from the evidence submitted by the company that it has established its authority to render charges to the customer for the water services supplied to her property.
4. I further accept that information on the company website gives details of required actions when a customer vacates a dwelling, it is stated:

Moving out of your home

*If you're moving out of the **XX** or moving into a property where you're no longer responsible for paying water bills, please let us know so we can make sure your final bill is right.*

*Simply give us a call on **XX** and let us know the following:*

- *the date you moved (or are due to move) out of your home*
- *the final reading from your old address, if you have a meter*
- *your new address to send your final bill or refund to*

We're open 8am until 8pm Monday to Friday and 8am until 4pm on Saturdays.

5. I am satisfied that the parties agree that the customer did not contact the company when she vacated the property.
6. However, I note that the parties agree that the customer had set up a Direct Debit mandate in favour of the company. The evidence shows that the company had been making deductions from the customer's bank, via the Direct Debit, on the **XX** day of each month.
7. I can see that the parties agree that the Direct Debit was cancelled by the company. The company has recorded that the Direct Debit was cancelled "*as per our normal process*". The "*normal process*" is not explained nor substantiated by the company, and thus I am not satisfied on what basis or authority the Direct Debit was cancelled.
8. Additionally, I refer to the company's Scheme of Charges for Households that at Section 13.3 Direct Debits states :

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Your direct debit arrangement will continue from year to year, unless cancelled at any time by you.

9. The Scheme of Charges makes no mention of the company cancelling Direct Debits.
10. The evidence does not show that the customer cancelled the Direct Debit and thus I am satisfied that it was reasonable for her to understand that all required payments would continue to be taken by the company until such time no outstanding balance remained.
11. The company has stated that the final bill on the customer's account was sent to the address on record as it had no forwarding address from the customer. I am not provided with a copy of the bill nor with any proof of despatch confirmation. The customer says she did not receive the final bill despite setting up a Royal Mail redirection facility operable as from **XX** June 2021. The customer has supplied a copy of the Royal Mail confirmation.
12. The company has stated that it attempted to contact the customer about the final bill via her mobile telephone number. The company has acknowledged that the number was incorrectly recorded on the customer's file in December 2020.
13. I take note that the customer did not advise the company that she was vacating the property, but I find that the customer could reasonably have expected the company to continue to take payments through the Direct Debit facility. I am satisfied, on a balance of probabilities, that had the company not unilaterally cancelled the Direct Debit then there would have been no outstanding overdue payments on the customer's account.
14. It thus follows that the customer was not responsible for the overdue payments and that the company wrongly entered the negative markers on her credit history file. Therefore, I direct that the company shall take all reasonable steps to remove the negative markers from the customer's credit history files held with credit reference agencies.
15. In her application to the WATRS Scheme the customer has requested that I direct the company to make a financial gesture of goodwill for the poor customer service she has received. Having found that the company wrongly applied the negative markers I am satisfied that its actions contributed to the inconvenience experienced by the customer.
16. I am content to grade the inconvenience at Tier 2 level according the *WATRS Guide to Compensation for Inconvenience and Distress* and direct that the company shall pay the customer the sum of £250.00.
17. The customer also requests that the company be directed to change its stance on its debt recovery process. However, as this is an issue of the company's commercial practices, it is outside the jurisdiction of the WATRS Scheme as set down in Rule 3.5 of the Scheme.

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18. My conclusion on the main issues is that the company has failed to provide its services to the standard to be reasonably expected by the average person and the customer has been disadvantaged by this failure.

The Preliminary Decision

- The Preliminary Decision was issued to the parties on **XX** February 2022.
- The customer has, on **XX** March 2022, confirmed receipt of the Preliminary Decision.
- The company has, on **XX** March 2022, submitted additional evidence and states that the rules of the Direct Debit scheme require the customer to have supplied its name and address. The company claims as it was not made aware of the customer's new address it had to cancel the existing Debit Order.
- However, I refer the company to paragraphs 8 and 9 of my Preliminary Decision. I find it reasonable that she understood the Direct Debit would remain operable and thus she would pay any final bill issued by the company.
- Additionally, I do not find it reasonable that the customer would be expected to read and be familiar with the rules of the Direct Debit scheme.
- Having read the responses of the parties I am satisfied that no amendments are required to the Preliminary Decision.

Outcome

The company shall take the following actions:

1. Take all reasonable steps to remove the negative markers entered on the customer's credit history file.
2. Pay the customer the sum of £250.00 in compensation.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 08 April 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.

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- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision.
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Peter R Sansom
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Member, CI Arb Business Arbitration Panel.
Member, CI Arb Pandemic Business Dispute Resolution Arbitration Panel.
Member, CEDR Arbitration Panel.
Member, CEDR Adjudication Panel.

Adjudicator

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