

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X801

Date of Final Decision: 22 March 2022

Party Details

Customer:

Company:

Complaint

The customer received a very high final bill from the company because her Direct Debit had been cancelled in 2015, but she had no idea this had happened and thought that monthly payments were being made. The customer believes that the company's attempts to tell her about the situation were inadequate, and she complains that the company instructed a debt collection agency even though she had made a formal complaint. The situation has caused the customer extreme distress and inconvenience and she would like the company to pay her compensation, investigate her complaint and provide an explanation.

Response

The company sent the customer many letters about her outstanding balance, and also tried to contact her by telephone. The customer's failure to open the letters has no impact on her liability to pay for the services she has received. The company accepts that the customer's account should have been passed to a debt collection agency in May 2017 and it failed to do this. However, it followed its debt recovery process correctly in April 2021 and instructed a debt collection agency when the customer failed to set up a payment plan. It offers the customer £165.32 as a gesture of goodwill, but as the charges are correct and payable, the company denies liability to compensate the customer further.

The company has not made an offer of settlement.

Findings

The company made adequate attempts to notify the customer about the outstanding balance on her account up until May 2017 and, as the customer made no further payments and continued to receive bills showing the arrears,

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she should have known the charges remained outstanding when she received the high bill in 2021. However, the evidence demonstrates that the company failed to correctly follow its debt recovery process in 2017 and took no further debt recovery action until 2021. I accept that the company failed to provide its service to the standard reasonably expected by the average person in this respect, and I direct the company to compensate the customer in the amount of £165.32.

Outcome

I direct the company to pay the customer £165.32 in compensation for distress and inconvenience.

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Case Outline

The customer's complaint is that:

- Her complaint is about the final bill she received for £1,769.87 for the period from 24 August 2015 to 12 March 2021.
- The bill is so high because her Direct Debit was cancelled in 2015, but she had no idea this had happened and thought that monthly payments were being made to pay her water bill.
- She made contact with the company earlier this year as she was struggling to pay the bill, and now, due to her furlough ending and her employment hanging in the balance, she has no idea what to do.
- After speaking with the company in April 2021, it was confirmed that the only method of communication from the company regarding the outstanding balance was a standard letter sent every six months. She would have assumed these letters were just marketing correspondence as she believed her water was provided by another water company at the time, so she would not have opened them.
- The company did not telephone her, and sent no emails or signed-for letters alerting her to the situation in the six year period from 2015. She believes that the company should have done more as a letter every six months is not enough.
- To add to the stress, while she was trying to resolve the complaint directly with the company and then with CCW, the company instructed debt collectors, who sent her harassing letters and emails even though she informed them that the account was in dispute.
- The company has offered her four months of free water, but this does not compensate her adequately for the extreme stress she has suffered as a result of the company's actions, or for the additional stress and costs incurred as a result of the company instructing debt collectors. She was trying to come to terms with the death of her father and pay for his funeral at the time this happened, and this situation made things much worse.
- In view of the above, she would like the company to pay her compensation for the stress and inconvenience she has suffered as a result of its actions, and she would like an explanation and investigation into the complaint.

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The company's response is that:

- The customer's water supply account was set up correctly and the timeline provided in evidence demonstrates that it sent letters to the customer on many occasions, and also attempted to contact her by telephone, about the balance on her account. The timeline shows that the customer has been regularly and accurately billed.
- As the telephone number the customer had provided did not work and the customer had not provided an email address, it had no option but to correspond by mail.
- It believes that the customer was aware it was her water supplier because it received a form in the post from the customer on 15 October 2015 confirming that she was responsible for the property and providing her Direct Debit details. Also, before her Direct Debit was cancelled, it received nine payments from the customer between November 2015 and July 2016, and the customer's bank would have informed her when her Direct Debit was not met.
- It does not accept the customer's explanation about why she did not pay her bills; she was sent dozens of letters and a reasonable person would most likely have opened some of them. In any event, saying that she did not open the correspondence it sent has no impact on her liability to pay her bills.
- In any event, it sent the customer water bills by post every January and July and these showed her balance. Therefore, it believes that the customer was aware of her increasing liability but ignored it until the debt collection agency became involved.
- It attempted to discuss an affordable payment plan with the customer on multiple occasions, and it was only following a failure to agree a payment plan that it followed its debt recovery process. As it has not received any payments from the customer since July 2016, in line with its policy, her water account was passed to a debt collection agency and an administrative charge of £50.00 was added to her outstanding balance, increasing it to £1,819.87. The customer complains that enforcement steps have been taken, but these could have been avoided had she agreed to an affordable payment plan.
- The customer has also complained that she did not receive the emails it sent to her nominated email account, so it sent its response to her complaint by post on 25 August 2021. However, as the customer had not provided a forwarding address, the letter was sent to her previous address. Such correspondence is usually forwarded to the customer, either by the landlord or by a post office forwarding service. For legal purposes, it is acceptable to send demands to a customers' last known address in circumstances where no forwarding address has been provided.

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- It accepts that the customer's account should have been passed to an external debt collection agency in May 2017 after the customer failed to respond to its debt recovery letters, and that no other debt recovery action was taken until May 2021. However, this failure does not mean that the balance is not owed or that it was not entitled to instruct a debt recovery agency in October 2021. That said, to acknowledge that further contact should have been made during this time, it offers a goodwill payment of £165.32 to the customer, equal to four months' worth of water charges. This would reduce the outstanding balance to £1,654.55, for which a suitable payment plan to clear the balance over a period of time could be agreed.
- In view of the above, it believes that the charges are correct and payable and denies liability to compensate the customer.

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?

1. As the adjudicator in this dispute, I can only direct the company to pay the customer compensation for distress and inconvenience if the evidence shows that the company has failed to provide its service to the standard reasonably expected by the average customer by failing to notify the customer about her outstanding debt, or by failing to correctly follow its debt recovery

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process, and that the company's failing caused the customer to suffer distress and inconvenience.

2. The customer states that the company only sent her one letter every six months to tell her about her outstanding balance, and she did not open the letters because she presumed they were junk mail as she thought her water was being supplied by a different company. The company states that this is unreasonable and points me to the customer's application for a water account, dated 15 October 2015, the letters it sent to the customer following missed Direct Debit payments, other debt recovery letters sent between October 2015 and April 2017, and the regular bills it sent to the customer showing the increasing outstanding balance.
3. Having reviewed the application form sent by the customer to the company, I do not find the customer's belief that she had a water account with a different provider reasonable. Also, having reviewed the copies of the letters and bills sent to the customer by the company, I cannot accept that the company failed to adequately notify the customer that her account was in arrears. In view of this, I do not find that the company failed to provide its service to the expected standard in this regard. Further, I find that the customer's failure to open the company's correspondence has no impact on her liability to pay the outstanding balance.
4. Therefore, while I appreciate that the customer will be disappointed by my decision, I accept that the charges on the customer's account are correct and payable. However, the company has stated that it is happy to offer the customer a payment plan and, therefore, should the customer wish to take advantage of this offer, I advise her to contact the company directly.
5. The customer's claim for compensation is also based on her complaint that the company referred her account to a debt collection agency when a formal complaint had been made, and the debt collection agency sent her harassing emails and letters that caused her extreme stress.
6. The company accepts that it referred the customer's account to a debt collection agency on 28 October 2021 but states that it was entitled to do this as the customer failed to agree a payment plan. The company admits that it should have referred the customer's account to a debt collection agency in 2017, and that it did not send the customer further letters about the debt until 25 May 2021, and offers the customer a goodwill gesture of £165.32 as an apology for these failings.

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7. On balance, having considered the evidence, I accept that the company was entitled to start the debt recovery process again in May 2021 and instruct a debt recovery agency in October 2021. However, as the company accepts that it did not follow its debt recovery process properly in 2017 and did not write to the customer again about her outstanding balance until May 2021, I find that the company failed to provide its service to the standard reasonably expected by the average customer in this regard. I also accept that these failings would have increased the stress and inconvenience caused to the customer because, by the time the debt recovery process was resumed in May 2021, the debt had increased significantly.
8. Therefore, I find that the company should compensate the customer. However, after reviewing the WATRS Guide to Compensation for Distress and Inconvenience, I find that the £165.32 offered to the customer by the company would sufficiently compensate the customer for the level of distress and inconvenience she has suffered as a result of the company's failing, so I direct the company to compensate the customer in this amount.
9. The customer also asks me to direct the company to investigate the issue and explain how it arose. However, as the company's response fully explains how the situation came about from the company's point of view, and shows that the company has fully investigated the customer's complaint, I make no further direction to the company in this regard.
10. Following the preliminary decision, the customer made comments relating to her current financial position and how much she will be able to pay on a payment plan. I advise the customer to discuss this matter with the company directly when she sets up a payment plan. The customer also raises a new issue relating to advice she received from Citizens Advice. In line with the WATRS Scheme Rules, new issues cannot be introduced at this stage of the adjudication process and, therefore, I am unable to consider this matter.

Outcome

I direct the company to pay the customer £165.32 in compensation for distress and inconvenience.

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What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 5 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.
- 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

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