

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X816

Date of Final Decision: 25 March 2022

#### Party Details

Customer:

Company:

#### Complaint

In October 2019, the company submitted a court claim against the customer for not paying his bill and added a £75.00 charge to the customer's account for court fees and costs, even though the customer has always made regular and timely payments to the company. When the customer attended the court, he was told that the case had been settled so the hearing was no longer required. However, the company had not settled the case with the customer or told him that it had been withdrawn. The company has continued to pursue the customer for the £75.00 court and costs fee and has registered a default on his credit file. The customer wants the company to remove the default registered against his name, remove the court fee and costs charge from his account, and pay him £350.00 in compensation for distress and inconvenience.

#### Response

In October 2019, there was a debt on the customer's account and the customer had not set up a payment plan, so the company made a County Court Claim against the customer and added £75.00 to his account for court fees and costs. Before the hearing in July 2020, the company contacted the court to say that the customer had paid the outstanding balance and the hearing was unnecessary. In April 2021, the customer had an outstanding balance again, so a default was registered on the customer's credit file. The company has correctly followed its policies and the relevant regulatory requirements and, therefore, it denies liability to pay the customer compensation, remove the charges from the customer's account, and remove the default from the customer's credit file.

The company has not made an offer of settlement.

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### Findings

The evidence demonstrates that the company was entitled to charge the customer £75.00 for court fees and costs, and that the company correctly reported the status of the customer's water services account to CRAs. Therefore, I do not find that the company has failed to provide its service to the standard reasonably expected by the average person and the customer's claims do not succeed.

### Outcome

The company does not need to take any further action.

# ADJUDICATOR'S FINAL DECISION

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## Case Outline

### **The customer's complaint is that:**

- In 2019, the company brought a case against him at the Manchester County Court claiming that he had not paid his bill for water and wastewater services for the period from 1 April 2019 to March 31 2020. This was incorrect as he consistently made payments towards his water and wastewater bill, and the company's evidence confirms that customers can pay unmeasured water and wastewater charges by instalments.
- The company's evidence also confirms that his unmeasured water and wastewater charges for the period from 1 April 2019 to 31 March 2020 were £307.64, and that he made a series of payments between 12 March 2019 and 4 March 2020 that paid off the charges in full.
- On 7 October 2019, the company added a £75.00 charge to his account for "court fees and costs".
- He challenged the company's claim against him and a hearing was scheduled for 9 July 2020. The parties were directed to provide witness statements and the company was directed to pay the court fee of £25.00 by 4.00 pm on 11 June 2020.
- However, instead of complying with the directions, the company withdrew the case and told the court that it had been settled, but the company failed to inform him. Therefore, on 9 July 2020, he attended the court as required, but was told that the hearing had been vacated.
- The company did not settle the case with him, did not inform him that the hearing had been vacated, refused to remove the £75.00 charge from his account, and has recorded a default on his credit file for the £75.00 which it told the court had been settled. Since raising his complaint to CCW, the company has instructed debt collectors who have harassed him through emails and telephone calls.
- The company has consistently failed to provide its service to the standard reasonably expected by the average person, so he wants the company to remove the default registered against his name, remove the £75.00 fee from his account, and pay him £350.00 in compensation for distress and inconvenience.

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### **The company's response is that:**

- While the customer has made payments for his water and wastewater services, the payments were not regular set amounts and were not part of an agreed payment arrangement.
- When it applied the customer's charges of £316.45 for 1 April 2019 to 31 March 2020 to his account, he had a small credit from the previous year of £8.81, so the amount due was £307.64. As the customer did not have an active payment plan, he automatically defaulted to half yearly billing, so £149.42 was due by 1 April 2019 and the remaining balance of £158.22 was due by 1 October 2019.
- As the customer did not pay the half-yearly amount in a timely manner, in line with its normal recovery process, the full remaining balance became due. A bill was sent to the customer, dated 25 July 2019, asking him to pay £187.64 straight away.
- The customer continued to make irregular payments, paying just £35.00 before it made a County Court Claim against him in October 2019. At that time, his overdue balance was £152.64. This process added £75.00 for court fees and costs to the amount due, bringing the balance to £227.64.
- The customer sent a defence to the claim, which it received from the court on 21 October 2019. In this, the customer said that it was not entitled to issue a claim against him. Its legal team replied to the court and the customer on 20 November 2019 to confirm what the sums related to and that, as no payment plan had been agreed, the charges were due in full. It advised the court that it did not believe the customer had filed a valid defence and asked for it to be struck out.
- The court wrote back on 21 March 2020 to confirm that the case had been allocated to a small claims hearing and a hearing date had been set for 9 July 2020. It was ordered to file a witness statement by 20 April 2020, and at that time the amount outstanding was £49.00. Although no official payment plan had been set, the customer was then paying £25.00 per month. On that basis, it knew that the balance would be paid before the hearing date in July 2020, so it chose not to file a witness statement.
- On 28 May 2020, it wrote to the court to confirm that all the outstanding charges had been paid in full and that the hearing could be vacated. However, the customer served his witness statement and attended court on 9 July 2020, so the judge advised him that the court had been informed that he had paid the claim in full and, therefore, the matter was settled.
- It was not obliged to let the customer know that he had paid the bill, but it was obligated to inform the court that the claim had been settled.
- The customer contacted its legal department on 26 July 2020 to dispute the £75.00 court fees and costs. As it did not attend court, he asked for these charges to be removed and also asked for £350.00 to cover his own costs.

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- It replied to him on 27 July 2020 to explain that it would not remove the court fees and costs, and it had not withdrawn or discontinued the claim against him, so it was appropriate to apply the associated costs to his account. In respect of his request for £350.00, it advised him that he would need to make a counterclaim with the courts.
- Following on from this, the customer continued making irregular payments but did not set up a payment plan. His bill for 2020 to 2021 had not been paid in full by 1 October 2020 and so, in December 2020, it began sharing this information with credit reference agencies.
- In February 2021, it applied the new charges for 1 April 2021 to 31 March 2022 to the customer's account, and at that time the customer carried forward a debit of £103.14 from his previous bill. In April 2021, it shared that the debt was five months overdue and a default was registered on 14 May 2021.
- Leading up to this, it sent the customer a pre-default email, a pre-default letter, a new water bill for charges from 1 April 2021 to 31 March 2022, an email to prompt payment, a further email to prompt payment, a pre-default email sent to prompt contact, and a pre-default letter. Copies of these have been provided in evidence.
- On 22 October 2021, it was notified that a new occupier had moved into the property on 1 April 2021, so it noted the customer as having moved out on 1 April 2021. His balance was recalculated as being £75.84, comprising of £75.00 outstanding for the 2020 to 2021 charges, and £0.84 for 1 April 2021.
- It has reviewed the action it has taken and the information it has shared with credit reference agencies and confirms that it is correct and a true reflection of the customer's account status at that time. It has followed all of its policies and procedures whilst dealing with this account, and the court fees and costs charge of £75.00 was applied correctly.
- In view of the above, it has not failed in its duty to supply water and waste water services, and has raised correct charges for these services in line with its Charges Scheme. It has followed all of its policies, processes and legal and regulatory requirements whilst dealing with the issues the customer has raised, and it does not believe that it has failed to provide its service to the standard to be reasonably expected.
- Therefore, it does not believe there are any grounds to pay the customer compensation for distress and inconvenience, remove the charges from the customer's account, or remove the default from the customer's credit file.

### How is a WATRS decision reached?

In reaching my decision, I have considered two key issues. These are:

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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. The customer's claim for a refund of the £75.00 charge for court fees and costs applied to the his account in October 2019 can only succeed if the evidence shows that the company failed to meet the expected standards of service by incorrectly applying the charge to the customer's account.
2. However, having reviewed the evidence provided by the parties, I find that although the customer was making regular payments towards his bill, he had not agreed a payment plan with the company and, therefore, he was obliged to pay the bill in full by the due date. As the customer failed to pay the bill in full by the due date, I find that the company was entitled to submit a claim to the court and apply a charge for the court fees and costs to the customer's account, in accordance with the Civil Procedure Rules, even though the scheduled hearing was vacated because the customer had paid the outstanding balance in full by May 2020.
3. In view of this, I do not find that the company failed to provide its service to the standard reasonably expected by the average person by applying the £75.00 fee to the customer's account.
4. Having considered the response provided by the company regarding the customer's claim to have the default removed, I accept that the company has a duty to report factually accurate

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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.

5. The customer suggests that the default registered by the company on 14 May 2021 relates to the £75.00 fee charged in October 2019. However, the evidence suggests that the customer had paid the £75.00 charge by May 2020, and the defaulted amount relates to unpaid water and wastewater charges for 2020 to 2021. In any event, the evidence shows that the customer's account was in arrears in May 2021 because the customer had not agreed a payment plan with the company and had not paid his bill in full by the due date.
6. 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 14 May 2021, and the information shared was a true reflection of the status of the customer's account at that time.
7. In view of the above, 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.
8. I understand that my decision is not what the customer hoped for but, as I have found no failings on the part of the company, the customer's claim for compensation for distress and inconvenience, the removal of the £75.00 fee from his account, and the removal of the default from his credit file cannot succeed.
9. For completeness, I state that in the comments the customer made on the company's response to his claim, he introduced some new issues about the company's failure to comply with the Civil Procedure Rules when it sent a letter of discontinuance to the court, and he also complains that a charge of £0.84 was added to his account for services provided on 1 April 2021 and asks for it to be removed. However, under the WATRS Scheme Rules the customer

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cannot raise new issues in the comments on the company's response and, therefore, I cannot consider these issues in my adjudication.

10. Following the preliminary decision, the customer commented that I had not considered all of the evidence and I had misunderstood the facts of the case as his reference to the Civil Procedure Rules in his comments on the company's response did not raise a new issue.
11. Firstly, as stated at the top of this decision, I reassure the customer that I carefully considered all of the evidence presented to me during my adjudication, even though I did not specifically refer to all of it in my decision. Secondly, I understand that the customer raised the company's alleged failure to comply with the Civil Procedure Rules to show that it had failed to provide its service to the expected standard, however, the specific allegation that the company had failed to comply with the Civil Procedure Rules was not made on the customer's application form and, therefore, the company did not have the opportunity to respond to it. In view of this, I found that the customer was introducing a new issue in his comments on the response and, therefore, under the WARTS Scheme Rules, I was unable to consider it, and my viewpoint on this has not changed.
12. The customer also states that I failed to consider the unethical and misleading behaviour of the company when it told the court that the case had been settled, because this was incorrect. However, the evidence shows that the customer had settled the claim by paying the outstanding balance before the court date and, therefore, the information provided to the court was correct. The customer was unhappy that the company failed to notify him that it had informed the court that the debt was no longer outstanding, but I accept the company's position that it was not obliged to inform the customer that he had paid the debt. In view of the above, I do not find any failing on the company's behalf in this regard and my decision remains unchanged.

#### **Outcome**

The company does not need to take any further action.

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## What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 8 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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