

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X982

Date of Final Decision: 28 June 2022

Party Details

Customer:

Company:

Complaint

When the customer set up his water account, he asked for email notifications rather than letters because he works away. The company has reported late payments to credit reference agencies even though it sent the customer notifications about his debt by letter rather than email, and the debt has now been paid in full. In view of this, the customer would like the company to remove the negative markers from his credit file and pay him £600.00 in compensation.

Response

The company did not fail to meet the expected standards of service by sending the customer debt recovery and legal documents by post. The information reported to the credit reference agencies was accurate and, therefore, responsibility to remove the negative credit markers and pay the customer compensation is denied.

The company has not made an offer of settlement.

Findings

The evidence demonstrates that the company sent the customer debt recovery and legal documents by post in accordance with its terms and conditions, and correctly reported the status of the customer's water services account to credit reference agencies. 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 claim does not succeed.

Outcome

The company does not need to take any further action.

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ADJUDICATOR'S FINAL DECISION

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Case Outline

The customer's complaint is that:

- His complaint is about the company registering a negative credit marker on his credit file.
- When he moved to his property in June 2021, he called the company to set up an online account and asked to be sent email notifications rather than letters.
- In August 2021, he called the company about changes on his account and was asked to pay £195.50. After that, he did not hear from the company or receive any emails.
- Sometime in January 2022, he signed up to Equifax and realised that the company had put a negative marker on his credit file. On 19 January 2022, he called the company and asked for information about this, but was told that the matter could not be discussed on the telephone as court action was being taken and he could not pay to clear the debt.
- He asked if there was any possibility of discussing it through emails as he was keen to know what he could do to prevent the matter going to court, so he requested a call back the next day.
- On 20 January 2022, he spoke to the company again and asked if he could pay what he owed to resolve the matter, but the company said there was nothing that could be done and he had to go to court.
- He did not know whether any correspondence had arrived from the court because he works away from home. Therefore, he took a day off work, went home and found a letter from the company that said he could pay the full amount to avoid the matter going to court, and it gave the number he had called the previous day. Without realising that it would be better for him to go to court and explain the situation to the judge who would have been sympathetic, he panicked and paid the full amount to avoid going to court. He hoped the company would understand this and refund the money, but it did not.
- The company has behaved unprofessionally and has failed to answer his questions, even after CCW got involved.
- As he did not know that he was in debt and the company failed to notify him by email, he would like the company to remove the negative credit marks from his credit file and pay him £600.00 in compensation for taking a day off work and for the court costs.

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The company's response is that:

- In accordance with Rule 3.5 of the WATRS Scheme Rules, it is beyond the scope of the WATRS to examine or review any issues relating to the fairness or appropriateness of its contract terms and/or commercial practices. Therefore, it is not within the jurisdiction of the WATRS to determine how it reports on the status of its customer accounts.
- Following discussions between the Information Commissioner's Office, water companies and OFWAT in 2010, approval was given to share data between water companies and Credit Reference Agencies, and it has a duty to report the status of its customers' accounts fairly.
- It has entered into a data sharing agreement with credit reference agencies and has a contractual arrangement with these companies to data share.
- When the customer opened his account, he registered for online account management services and, as such, he agreed to accept the terms and conditions for the use of the Online Service.
- In accordance with the terms and conditions of the Online Service, the customer accepted that he would no longer receive a paper copy of his bill and that electronic correspondence and bill notifications would be sent by email, but that all debt recovery and legal documents would continue to be sent by post in paper copy to the customer's billing address.
- It has complied with its terms and conditions by sending bills by email and debt recovery letters by post.
- On or around 21 June 2021, it issued an invoice for the billing period from 6 June 2021 to 31 March 2022. The invoice stated that payment was due by 6 July 2021, and that the customer could either pay £499.64 to clear the invoice in full or pay £195.50 for the period up to 30 September 2021.
- The customer did not make payment, so it issued several reminder letters and text messages advising that payment was due.
- On 18 October 2021, it issued a notice advising the customer that it intended to register his failure to pay, and said that the customer should make contact before 15 November 2021 to discuss setting up an affordable payment plan; however, the customer did not respond.
- On 24 October 2021, the customer made payment of £195.50, leaving an outstanding balance of £304.14, which was also due.
- As payment in full had not been received in accordance with its payment terms, it reported the status of the customer's account to credit reference agencies, and this was accurate and correct.

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- On 8 November 2021, as payment in full had not been received and the customer had not made contact to set up a payment arrangement, it issued a Notice of Pre Action, in accordance with Pre-Action Protocol as set out in the Civil Procedure Rules.
- The notice stated that £304.14 remained outstanding and was due and payable by 8 December 2021. The notice stated that the customer could either pay in full or complete the form attached within 30 days in order to discuss the options available. It further stated that if payment was not made, or if it did not hear from the customer, a final notice would be issued. However, the customer did not respond.
- On 13 December 2021, it issued a Notice of Court Action. The notice stated that the balance of £304.14 was due and payable within 14 days. The notice also stated that if the customer did not pay or make contact, county court action would be taken for the total outstanding debt resulting in legal fees being added. Again, the customer did not respond.
- All these documents were sent in pre-paid envelopes addressed to the customer at the address on his account. Therefore, all documents are served correctly under the Civil Procedure Rules.
- On 12 January 2022, as the customer had not paid or made contact, it issued legal proceedings in order to recover the sum of £304.14 plus costs of £100.00.
- On 19 January 2022, the customer made contact and was advised to wait for the court paperwork and complete the appropriate response to the claim and return the paperwork to the court.
- On 20 January 2022, the customer made payment of the full amount and the claim was marked as settled.
- The company has followed its debt recovery procedures and it correctly reported the status of the customer's account. Removing the arrears would be inaccurate and misleading, and would not be a true reflection of the customer's payment history.
- It therefore denies responsibility to pay the customer compensation and remove the negative credit markers from the customer's account.

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.

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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 company states that this dispute cannot be adjudicated on by the WATRS as Rule 3.5 of the WATRS Scheme Rules states that disputes relating to the fairness of its contract terms and/or commercial practices are out of the scope of the Scheme. Having considered the evidence, I find that the customer's complaint is that the company failed to comply with its terms and conditions by sending him letters when he had requested emails, and this meant that he was not provided with any notice about the debt collection action being taken against him. In view of this, the customer wants the company to remove the negative credit markers from his credit file and pay him compensation. Therefore, I do not find that the claim relates to the fairness of the company's contractual terms and/or commercial practices, and I am satisfied that the WATRS Scheme Rules allow me to adjudicate on this claim.
2. Having considered the response provided by the company, I accept that the customer agreed to the company's 'Terms and Conditions for Online Services' when he requested paperless billing, and that these terms and conditions state, "All debt recovery and legal documents will continue to be sent by post in paper copy to your designated billing address". In view of this, while I understand that the customer will be disappointed by my decision, I find that the company complied with its terms and conditions by sending the customer debt recovery and legal documents by post, and did not fail to provide its service to the standard reasonably expected by the average person in this regard.
3. I also accept that the company has a duty to report factually accurate information about the status of its customers' accounts to credit reference agencies. Therefore, as the adjudicator in this dispute, I can only direct the company to instruct the credit reference agencies to remove the negative markers on the customer's credit file if the evidence shows that the company has failed to meet the expected standards of service by reporting inaccurate information, or by failing

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to comply with its policies and procedures, or the applicable legal and regulatory requirements, when the negative markers were registered.

4. The evidence provided by the company, including the copies of correspondence and the timeline, confirms that the customer was sent a bill, dated 21 June 2021, and when payment was not received by the due date, the customer was sent reminder texts on 13 July 2021, 20 July 2021, 3 August 2021 and 24 August 2021, reminder letters on 27 July 2021 and 10 August 2021, and a reminder email on 17 August 2021. The company also called the customer to discuss the balance on his account on 5 September 2021, and left a voicemail when it got no response. The company issued a default notice on 18 October 2021 and the customer made part-payment of the charges on 24 October 2021, but the company started recovery action for the balance owed and sent the customer a Notice of Pre-Action on 8 November 2021 and a Notice of Court Action on 12 December 2021. On 20 January 2022, the customer made full payment of the balance owed on his account and a further £100.00 for legal fees.
5. In view of the above, and having reviewed the data sharing report provided in evidence, I accept that the customer did not pay his bill on its due date in accordance with the company's payment terms. The evidence also confirms that before the company reported the late payments to credit reference agencies, it sent the customer bills, texts, letters and emails, and telephoned the customer for payment. Therefore, I accept that the company provided its service to the standard reasonably expected by the average person by trying to contact the customer about his outstanding balance before reporting the late payments to the credit reference agencies.
6. The evidence does not show that the company failed to comply with its policies and procedures, or the relevant regulatory and legal requirements, when it reported the late payment to credit reference agencies, or that the information shared was not a true reflection of the status of the customer's account at that time.
7. In view of the above, while I understand that my decision is not what the customer hoped for, I do not find that the company has failed to provide its service to the standard reasonably expected by the average person by reporting the late payments on the customer's account to the credit reference agencies. Therefore, the company is not liable to pay the customer compensation or remove the negative credit markers from the customer's credit file, and the customer's claim does not succeed.

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8. In response to the preliminary decision, the customer said that he believes I misunderstood some of the facts because on 19 January 2022 he telephoned the company and was told that he could not pay the bill as the matter was with the court, but on 20 January 2022 he received a letter stating that he should ring the number he had called the previous day to pay the bill in full, which he did, but he was later advised that it would have been better to go to court and explain the full circumstances to the judge. I want to reassure the customer that I did understand these facts when I adjudicated on the dispute and, therefore, my decision remains unchanged.

9. The customer also says that his credit file is now showing that he has two accounts with the company. However, in the company's response to the customer's claim, the company explains that when a default is registered it closes the customer's existing record and creates a new record for future bills that are not included in the default. In view of this, it is correct that two records of the customer's water account are shown on the customer's credit file.

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 12 July 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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