

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X985

Date of Final Decision: 28 June 2022

Party Details

Customer:

Company:

Complaint

Between 22 April 2015 and 30 April 2016, the company sent the bills intended for the customer's tenant to the wrong address. Therefore, the bills were not paid and the company obtained a County Court Judgement ("CCJ") against the customer without his knowledge. When the customer complained, the company paid him £500.00 as a gesture of goodwill, but continued to chase him for payment of the bill and reapplied for a CCJ, which damaged his credit rating. The customer wants the company to be held accountable for its mistakes and would like the company to cancel the bill, apologise for the hardship and distress he has suffered, and pay him a substantial sum in compensation.

Response

The company held the customer liable for the outstanding charges because he owns the property and had not provided evidence to show that the property was rented to tenants during the relevant billing period. The bill was not paid so the company was entitled to take debt recovery action and share the customer's data with credit reference agencies. However, the company acknowledges that it made customer service errors and sent the customer's correspondence to the wrong address. Therefore, it has paid the customer £500.00 as a gesture of goodwill, written off the outstanding charges of £407.82, removed all negative credit reporting, and the claim for recovery of the amount owed has been discontinued. In view of this, the company denies further liability.

The company has not made an offer of settlement.

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Findings

The evidence demonstrates that the company sent the customer's bills and correspondence to the wrong address, and this resulted in the customer receiving no notice that the company were taking debt recovery action against him. The company has also admitted to further service failings. Therefore, I find that the company failed to provide its service to the standard reasonably expected by the average person, and the customer suffered distress and inconvenience as a result. While the amount of compensation already paid to the customer for the company's failings is sufficient, I direct the company to provide the customer with a formal apology and confirmation that the court action taken against him has been discontinued.

Outcome

I direct the company to provide the customer with a written apology for its failings, and evidence to show that the court proceedings for debt recovery have been discontinued. I also direct the company to check that all the negative reporting has been removed from the customer's credit file and provide the customer with evidence to confirm this.

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Case Outline

The customer's complaint is that:

- He owns a rental property known as REDACTED, REDACTED. Between 22 April 2015 and 30 April 2016, the company sent the bills intended for his tenants to REDACTED, REDACTED.
- He only became aware of the mistake when he received a letter to his residential address regarding a CCJ the company had applied for. Before this, he did not receive any correspondence from the company.
- The company sent bills and letters to the wrong address for several years, and the resident of REDACTED called to advise that she had received his CCJ, which amounts to a breach of GDPR.
- The bill would have been paid by his tenant had it arrived at the correct address. It took four years for the company to realise its mistake, and only did so when the resident of REDACTED opened the correspondence with his name on it and contacted the company. The company then contacted him at his residential address, but by then the company had already obtained a CCJ against him.
- When his tenant moved into his property, he sent an email to the company with their details and a copy of the tenancy agreement. Therefore, he is not responsible for the outstanding bill and can no longer chase the tenant who is.
- When he complained, the company paid him £500.00 as a gesture of goodwill, but then continued to chase him for payment of the bill and reapplied for a CCJ. This negatively impacted his credit rating, has caused him anxiety, distress and embarrassment, and has stopped him getting personal finance.
- The company states that the compensation already paid is adequate. However, after the company paid him the compensation, it continued to make mistakes and he suffered further distress and inconvenience.
- The company states that it has cancelled the CCJ and amended his credit report, however, there is no evidence to show this.

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- In view of the above, he would like the company to apologise for the continued hardship, distress and anxiety he has suffered, cancel the outstanding bill and pay an unspecified but substantial sum in compensation.

The company's response is that:

- On 16 February 2016, an account was opened for the property, but it was not given the tenant's details and, therefore, it put the account in the customer's name as he is the owner. In the absence of tenancy details, it is entitled to hold the customer liable.
- On 9 June 2016, the account was closed and a final invoice was issued.
- On 10 February 2021, a debt of £407.82 remained outstanding on the customer's account, so it issued a county court claim to recover it. A response to the claim was not filed with the court and a judgement by default was granted on 11 March 2021.
- It then did a Land Registry search and found the customer's current address, so the mailing address on the account for the property was amended.
- The customer then made contact and it became apparent that the agent who opened the account for REDACTED on 16 February 2016 had inputted the mailing address incorrectly, and had inserted REDACTED instead.
- As the customer stated that a tenant had been living in the property during the claim period, a copy of the tenancy agreement was requested.
- It accepted that the claim had not been served correctly in accordance with Civil Procedure Rules and agreed to make an application to set the judgement aside. The judgement that was granted on 11 March 2021 was set aside on 8 September 2021 and it was given permission to re-serve the claim form to the correct address.
- At this stage, it continued to hold the customer liable for the outstanding charges at the property as evidence of tenants being in occupation had not been received.
- In acknowledgement of the stress and inconvenience caused to the customer for sending the invoices and correspondence to the incorrect address, it offered a without prejudice payment of £100.00 as a gesture of goodwill. It then increased the offer to £500.00 and the customer accepted.
- It continued to pursue the customer for the outstanding charges as evidence of a tenancy had not been received, and the claim form was re-served on the customer.
- As a gesture of goodwill, and in addition to the £500.00 compensation already paid, it has now agreed to discontinue the claim against the customer, remove the default judgement costs of £25.00 and write off the outstanding charges of £407.82, even though the customer remained

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liable for the charges as no evidence had been provided to confirm that the property was rented out during the claim period. Also, on 11 April 2022, all negative credit reporting was removed from the customer's credit file, including the default.

- It acknowledges its errors, but believes that the customer has been adequately compensated for its failings and denies liability to compensate the customer further.

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. Having considered the evidence provided by the parties, including the company's Charging Scheme, I accept that there is no evidence to show that the customer's property was occupied by tenants during the relevant billing period of 22 April 2015 to 30 April 2016. Therefore, I find that the company was entitled to bill the customer for water services supplied to the property during the relevant period, and take recovery action against the customer when the bill was not paid.
2. Further, as the customer did not provide the relevant tenancy agreement to the company after the CCJ was set aside on 8 September 2021, I accept that the company was entitled to re-issue

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the recovery action in the customer's name at the correct address, and report the status of the customer's account to credit reference agencies.

3. Therefore, while I acknowledge the customer's argument that he has never lived at the property and the outstanding bill was for water used by his tenant, I do not find that the company has failed to provide its service to the standard reasonably expected by the average person in this regard.
4. However, the evidence confirms that the company made an error when it put the account address into its system and this resulted in the outstanding bill, and all the correspondence relating to it, being sent to the wrong address until June 2021, when the company searched for the customer's address on the Land Registry and made contact with him at his residential property. The evidence shows that this error resulted in the customer receiving no notice that there was an outstanding debt in his name for water services supplied to his rental property, or that the company had taken recovery action against him for the debt, or that the company had obtained a CCJ, or that the company had reported the default to credit reference agencies. The company also accepts that the claim was not served correctly, and the judgement was incorrectly entered.
5. The company states that the customer is not entitled to a further remedy for its failings because it has already paid him £500.00 as a gesture of goodwill, in line with the amount of compensation that would be awarded under Tier 3 of the 'WATRS Guide to Compensation for Inconvenience and Distress', and it has written off the debt and removed the negative information from the customer's credit file. The customer states that the company paid £500.00 as a "gesture of goodwill", but refused to accept responsibility for its mistakes, and £500.00 was the amount agreed before the company caused him further distress and anxiety by re-issuing debt recovery proceedings against him for his tenant's debt.
6. As I accept that the company failed to provide its service to the standard reasonably expected by the average customer, I also accept that the company should compensate the customer for the distress and inconvenience he suffered as a result. However, as the company was entitled to treat the customer as the occupier and re-issue proceedings against him after the CCJ was set aside, I do not accept that the company is liable to pay further compensation to the customer in this respect.

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7. The evidence shows that both parties understand that when I am assessing the level of compensation payable to a customer for distress and inconvenience, I must consider the 'WATRS Guide to Compensation for Inconvenience and Distress'. I must also consider payments that have already been made to the customer, even if the payments have been made by the company as a gesture of goodwill.
8. In this case, having reviewed the 'WATRS Guide to Compensation for Inconvenience and Distress', I accept that the considerable level of distress and inconvenience suffered by the customer fits into the lower end of Tier 3, and the amount already paid to the customer fairly compensates him for the impact of the company's failing. I understand that this outcome is not what the customer hoped for, however, I consider it fair and reasonable in the circumstances.
9. The customer has also asked for an apology from the company and as the company's mistakes had such a negative impact on the customer, I find this request reasonable. Therefore, I direct the company to issue the customer with a formal written apology for its failings.
10. The customer also asked for the disputed bill to be cancelled but, as the evidence confirms that the company has already done this, I make no direction to the company in this regard. However, the comments made by the customer on the company's response demonstrate that he is concerned that the company's application to have the court proceeding discontinued was rejected by the court. Having considered the document entitled 'Claim History' provided by the company in evidence, I understand the customer's concerns because it states that the notice issued to discontinue the claim was rejected on 27 April 2022. In view of this, I direct the company to provide further information to confirm that the claim has been discontinued.
11. In response to the Preliminary Decision, the customer provided evidence to show that he has recently failed a credit check for a mortgage and states that he does not believe that the company has removed the negative credit markers from his credit file. In view of this, I direct the company to check that all the negative reporting has been removed from the customer's credit file and provide the customer with evidence to confirm this.

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12. The customer's comments on the preliminary decision also show that he is disappointed that his claim for further compensation did not succeed as the situation has caused him extreme inconvenience and distress. The customer explains that he makes his living from property investments and he is now unable to secure a mortgage. While I appreciate that the circumstances caused by the company's error were very stressful for the customer, as I stated above, I do not accept that the company should pay further compensation to the customer for the stress and inconvenience caused by it re-issuing legal proceedings after the £500.00 goodwill payment was accepted by the customer. I understand that the customer believes that the company has not removed the negative markers from his account and this is causing him further stress, however, while the customer has provided an email from his mortgage advisor, the cause of the customer's failure to pass the credit check is not identified. In view of the above, my decision remains unchanged.

Outcome

I direct the company to provide the customer with a written apology for its failings and evidence to show that the court proceedings for debt recovery have been discontinued. I also direct the company to check that all the negative reporting has been removed from the customer's credit file and provide the customer with evidence to confirm this.

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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