

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT/X140

Date of Final Decision: 30 September 2022

Party Details

Customer:

Company:

Complaint

The customer states she provided the company with her tenancy agreement that confirmed she did not pay for water usage. The company's debt collection agency continued to contact her in relation to these water bills despite the company having assured her that the bills had been reversed and the account with it in her name, closed. The customer requests compensation of £500.00 based on £50.00 for each month the issue has been ongoing and for anxiety caused by the company's debt collection process.

Response

The company states that the occupier of a property is liable to pay bills for water usage, unless where the occupier is a tenant, the landlord has entered into a written agreement with it to pay the charges. This did not happen in the customer's case therefore it incorrectly accepted the tenancy agreement as evidence of non-liability for the water charges. The company declines the customer's request for £500.00 in compensation as it has already removed the default, cancelled the charges and also paid the customer a £100.00 goodwill gesture in recognition of the distress caused by incorrect information having been provided to her.

Findings

The company has shown that where the occupier is a tenant, they are liable to pay water bills unless the landlord has entered into a written agreement with it to pay the charges. As the customer's landlord did not agree to pay the water charges associated with the property during the period of the tenancy, it was entitled to take the steps it did to recover the payments including via its debt collection process. However, the company accepted the customer's tenancy agreement as evidence that she was not liable for the water charges and told her the bills had been reversed and the account in her name, closed. Therefore, the further contact the customer received from its debt collection agency is evidence of the service provided by the company not reaching the standard to be reasonably expected.

Nonetheless, the remedies subsequently provided by the company to resolve the customer's complaint are reasonable and proportionate.

Outcome

The company does not need to take any further action.

The customer must reply by 28 October 2022 to accept or reject this decision.

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Case Outline

The customer's complaint (submission by the Consumer Council for Water on her behalf) is that:

- The customer notified the company that as part of her tenancy agreement, she did not pay for water in September 2021.
- The company resolved her complaint at that time and the customer did not have any further contact until April 2022.
- The customer was then traced by a debt collection agency on behalf of the company and was pursued for the water debt again.
- The customer was notified by the company on multiple occasions that the issue was resolved.
- The issue has added to her anxiety.
- She is seeking £500.00 in compensation based on £50.00 for each month the issue had been ongoing (9 months); the £100.00 offered by the company is sufficient.

The company's response is that:

- Its charges are statutory charges payable pursuant to the provisions of the Water Industry Act 1991 (the Act), a contract is not required. When a customer uses its water supply, they are obliged to pay for the service under the provisions of the Act.
- In line with its Code of Practice, normally, the occupier of the premises receiving its services is liable to pay the charges. This applies even if the occupier is a tenant and the tenancy agreement says the landlord will pay water service charges. Payment from a landlord will be accepted if paid direct to it and the account name will only be changed into that of the landlord if the landlord has provided confirmation in writing that they will be responsible for the charges. If payment is not forthcoming legal liability for the charges remains the responsibility of the occupier of a premises.
- It has a process that is set in motion when a meter is registering water usage for a property without a name on the account. Upon identifying registered water usage, it instructs a debt collection agency to perform a residency check to enable it to contact the person living in the property for the relevant period of water usage.

- The customer did not alert it to her occupation of the property. The customer's landlord has not paid it or entered into any such agreement.
- It opened a billing account for the customer on 3 July 2020 following a 'residency check' undertaken by a debt collection agency.
- A payment reminder was posted to the customer dated 10 September 2021. Its Collections Team text messaged her on 15 September 2021 to confirm the bill remained outstanding.
- The customer called it that same day to advise that she was not the bill payer. She was asked to provide a copy of her tenancy agreement and a hold was placed on the account until 20 September 2021 to prevent any further debt contact.
- The customer provided the tenancy agreement on 17 September 2021. This confirmed her as occupier of the property between noon 23 March 2018 and noon 18 June 2021.
- It initially told the customer the document was unacceptable as it did not meet required criteria. On 15 October 2021, following receipt of the Stage 2 complaint, it reversed this decision and informed the customer that it had reversed all charges against the property and cancelled her account on the basis that the tenancy agreement confirmed that all bills were included in her tenancy payment.
- Despite this reversal, it had a number of concerns regarding the validity of the tenancy Agreement, such as the lack of both signatures. Therefore, its position is that it incorrectly accepted the tenancy agreement as evidence of the customer's non-liability for the water charges.
- In order for the customer to not be liable under its Code of Practice, her landlord would need to pay the bill or have an agreement with it directly. No such payment has been received from the landlord or any agreement entered in to.
- It contacted its debt collection company on 25 April 2022 to confirm that it had closed the customer's account and requested they withdraw contact with her as soon as possible. Between receiving the tenancy agreement and contacting its debt collection company, it did not undertake any debt collection activity nor send bills to the customer. Her account was on hold until 13 November 2021.
- The customer did receive further contact on 9 and 17 May 2022, however, its debt collection company can take up to five weeks to cease contact following the issue of a 'no further contact' request. This meant that the customer would have continued to receive contact up to 30 May 2022. Its debt collection agency confirmed contact was withdrawn on 27 May 2022.
- It accepts that there may have been a period of time where it was chasing the debt whilst advising the customer that her tenancy agreement was acceptable to cancel the

charges, however, this was an error. It reiterates that as occupier of the property, the customer is legally liable for the charge.

- The company accepts that by providing the customer with contradictory information relating to the acceptance of the tenancy agreement, the customer's wellbeing was negatively impacted. It has acknowledged this and in recognition of the distress the incorrect information would have caused has written off the outstanding £135.29 bill and made a payment of £100.00 to the customer.
- In her WATRS application, the customer requests the company to pay her £500.00 in compensation and she confirmed this as nine months, which equates to £450.00, but has requested £500.00 in her application.
- It declines the customer's payment request as it has already written off its unpaid bill of £135.29 and provided her with a payment of £100.00 as recognition of the error made.

Reply

- The customer clarifies she rented a room in a house; she was a lodger in the landlord's property.
- The customer commented on points made by the company in the Defence including:
 - She responded swiftly to the letter received from the company, spoke with one of the company's agents and provided it with her tenancy agreement as requested. The company confirmed receipt and did not question the validity of the tenancy agreement. Furthermore, it confirmed that the case had been closed.
 - Therefore, she questions why she then received letters from the company's debt collection agency chasing her in regard to a complaint that was concluded five months previously.
 - She said that she informed it that she suffered from anxiety and she had to call the company again in pursuit of a resolution to the issues.
 - When she contacted the debt collection company and informed them that the case was closed, they were not aware of this; this demonstrates incompetence on the company's behalf.
 - She went "above and beyond to save her name" following threats received in the post.

Comments on Preliminary Decision

- The customer reiterates that she responded promptly to the company after she received letters and was told the account was closed in October 2021, as such the company should not have contacted her in 2022 in relation to the account.

- She comments therefore that she is disappointed with the findings in the preliminary decision as it justifies the treatment she received from the company.

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. The customer's claim concerns the company's requests for payments for water bills whilst she was in occupation of the property.
2. Based on the evidence, I note that:
 - a. The customer moved into the property in or around March 2018 and moved out sometime in 2021.
 - b. The company opened a billing account in the customer's name on 3 July 2020 following a 'residency check' undertaken by a debt collection agency that it had instructed.
 - c. On 15 September 2021, the company initiated its collection process and its Collections Team sent a text message reminder to the customer.
 - d. The customer called the company on 15 September 2021 and informed it that she was not the bill payer at the property. The company advised the customer that she

needed to provide supporting evidence such as a tenancy agreement and it agreed to put her account on hold until 20 September 2021.

- e. The customer provided the company with a copy of her tenancy agreement on 17 September 2021 and also raised a stage one complaint.
 - f. The company asked the customer to provide a tenancy agreement that was signed and dated and agreed to call the customer back on 13 October 2021.
 - g. The customer contacted the company on 14 October 2021 advising that the call back agreed for 13 October 2021 had not been provided. She also advised that she had asked the landlord for a copy of the tenancy agreement but received no response.
 - h. On 15 October 2021, the parties discussed the issue during a call. The company wrote to the customer on the same date advising it had reversed the billing account in her name and stated she would not receive any further contact in regard to the water account.
 - i. In April 2022, the customer received further contact from the debt collection agency in relation to the final bill for the account in her name.
 - j. She called the company on 25 April 2022 and it emailed the debt collection agency requesting it withdraw contact with the customer as soon as possible.
 - k. The customer advised the company on 9 and 17 May 2022 of further contact she had received from its debt collection agency and was told it could take up to five weeks after contact with the agency for contact to stop.
 - l. The customer raised a stage two complaint on 6 June 2022 requesting £50.00 in compensation for each month the matter was ongoing.
 - m. The company confirmed in its stage two response (dated 16 June 2022) that the final bill for £135.29 had been removed and it offered a goodwill gesture offered of £100.00.
 - n. Within its response, the company also confirmed that the default registered against her name had been removed and said it would not impact her credit file.
 - o. The company maintained its position in its 22 June 2022 response addressed to Consumer Council for Water (CCW).
3. The company has a legal right to bill an occupier of a property for use of the water supply. Further, I accept that an occupier is legally liable to pay for water charges for usage during the period of residency, as this is in accordance with the company's Code of Practice.
 4. In the customer's case, the company identified that water was being used on the meter at the property she was occupying and, because an account had not been opened (by either

the customer or her landlord), it engaged a debt collection agency. This was so they would carry out a residency check to identify the occupier in order to recover the charges.

5. It is noted that in its 22 June 2022 response, the company explained that this action was taken after all normal processes were followed in terms of sending out postal bills and payment reminders. The company has not provided evidence to show this, however, in view of the timeframe between the start of the customer's tenancy (March 2018) and when a billing account was opened in her name (3 July 2020), on balance I accept its submission in this regard. Therefore, the action taken by the company to engage a debt collection agency to carry out a residency check to identify the occupier, was reasonable in the circumstances and not indicative of any shortfall in the service that could reasonably be expected.
6. In its Defence, the company has explained that unless there is an agreement between it and the landlord directly, an occupier remains liable for the water charges for the period of occupancy. I accept this is in accordance with its Code of Practice and I note the company's submission that as the customer's landlord has not paid for water charges or entered into an agreement with it, it made an error in accepting the tenancy agreement as evidence that the customer was not liable for the charges. Whilst this may be the case, having confirmed to the customer on 15 October 2021 that it had reversed the billing account in her name and that she would not receive any further contact in regard to the water account, it was reasonable to expect the company to have adhered to this promise.
7. The company acknowledges that the customer contacted it on 25 April 2022 and at least two subsequent occasions to advise that she had received more correspondence from the company's debt collection agency in relation to a final bill of £135.29. It also acknowledges that a default was registered on her credit file. Whilst the company has said it contacted the debt collection agency on 25 April 2022 to instruct it to cease contact, regardless, as it had given an assurance to the customer on 15 October 2021 that she would not receive any further contact, I find this is evidence of the company's service provided not reaching a reasonably expected standard.
8. In its responses to the customer and CCW, the company confirmed it had removed the default, cancelled the final bill and also offered (and paid) the customer a £100.00 goodwill gesture in recognition of the distress caused by incorrect information having been provided to her.

9. Whilst the customer has explained that this situation has understandably caused her significant distress and inconvenience and has added to her anxiety, on balance I find the redress provided by the company, is reasonable and proportionate in circumstances, particularly as the evidence indicates that the charges for water usage during the customer's tenancy were not paid by the landlord. In response to the customer's comments on the preliminary decision, as stated above, the actions of the landlord, namely contacting her again in 2022 in regards the water account after confirming it had been closed, amounts to evidence of a failure in the service provided. However, the remedies already provided by the company sufficiently recognise the distress and inconvenience caused.
10. As a consequence, that the sum claimed of £500.00 has not been justified.

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 28 October 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.



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Adjudicator