

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X846

Date of Final Decision: 20 September 2022

#### Party Details

Customer:

Company:

#### Complaint

The customer claims that the company incorrectly charged her for a property she was not resident at and then pursued her for a debt that was never due, both of which led to a loss of a property purchase, inconvenience, and distress. The customer wants the company to pay £10,000.00 for the loss of her mortgage and stamp duty reduction for her property and £2,500.00 for the inconvenience and distress incurred.

#### Response

The company says that once the company became aware that it had opened and failed to then close an account for the customer with the incorrect property details, the customer's negative markers were removed, and the customer's incorrect account was closed. The company has made goodwill payments of £50.00 for the adverse effect on the customer's credit rating and service failures. The customer has provided no evidence that the negative markers led directly to a loss of her mortgage application. Furthermore, the negative markers were removed on 26 March 2021 before the customer's mortgage was applied for in April 2021. Accordingly, the company is not liable for any losses due to the customer's inability to apply for a mortgage. The company has not made any further offers of settlement.

#### Findings

I am satisfied that the evidence has proven the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning opening the customer's account for an incorrect property and the debt recovery process. Furthermore, I am satisfied there have been no failings concerning customer service for which the customer has not already been adequately compensated.

#### Preliminary Outcome

The company shall pay the customer £100.00.

The customer has until 11 October 2022 to accept or reject this decision.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

[www.WATRS.org](http://www.WATRS.org) | [info@watrs.org](mailto:info@watrs.org)

# ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT-X846

Date of Final Decision: 20 September 2022

## Case Outline

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

- The company incorrectly charged her for a property she was not resident at and then pursued her for a debt that was never due, both of which led to a loss of a property purchase, inconvenience, and distress.
- The customer wants the company to pay £10,000.00 for the loss of her mortgage and stamp duty reduction and £2,500.00 for the inconvenience and distress incurred.

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

- Once the company became aware that it had opened and failed to then close an account for the customer with the incorrect property details, the customer's negative markers were removed, and the customer's incorrect account was closed.
- The company has made goodwill payments of £50.00 for the adverse effect on the customer's credit rating and service failures.
- The customer has provided no evidence that the negative markers led directly to a loss of her mortgage application.
- Furthermore, the negative markers were removed on 26 March 2021 before the customer's mortgage was applied for in April 2021.
- Accordingly, the company is not liable for any losses due to the customer's inability to apply for a mortgage.
- The company has not made any further offers of settlement.

## 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 another disadvantage as a result of a failure 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

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

**www.WATRS.org | info@watsr.org**

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 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 dispute centres on whether the company should pay compensation for its delay in resolving an account issue which led to the customer being chased for an undue debt and a mortgage loss.
2. The company must meet the standards in OFWAT's Charges Scheme Rules and the Water Industry Act 1991.
3. The company also has certain obligations regarding its customer services as set out in OFWAT's Guaranteed Standards Scheme and the company's own Guarantee Standards Scheme (GSS).
4. The evidence shows that on 29 January 2020, the customer contacted the company requesting that an account be opened for a property located at REDACTED, REDACTED. However, I understand that although the customer advised she was moving, due to backlogs occurring within the COVID pandemic, this email was not seen until 23 June 2020.
5. However, on 3 February 2020, the customer called the company and requested that the account be opened at REDACTED. The evidence shows that there was some confusion as to the actual flat at REDACTED and the company marked the flat as the REDACTED. This meant that as the company had not seen the email of 29 January 2020, the customer's account was incorrectly opened for property located at REDACTED, REDACTED rather than the correct address of REDACTED, REDACTED.
6. In June 2020, after migrating the customer to the company's new billing system, the email of 29 January 2020 was discovered showing a different address to that on the customer's account. A new account was opened for the customer at the correct address, REDACTED, REDACTED. However, it seems that the previous account was not closed, which meant that the customer's account for, REDACTED address remained open, and bills continued to be produced.

***This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.***

**www.WATRS.org | info@watrs.org**

7. Between June 2020 and January 2021, various demands and notices of action were sent to the customer at the REDACTED, REDACTED address, as the company had not received payment. The evidence shows that none of this correspondence sent to the property was returned advising that the details were incorrect
8. On 4 March 2021, the customer contacted the company to raise a complaint concerning that she had received a letter from the company's debt collection agency. The company investigated matters and found that the previous account at REDACTED, REDACTED, had not been closed once it was discovered that the address was incorrect. The company made a goodwill gesture of £50.00 and a £20.00 Guarantee Standards Scheme payment. On 26 March 2021, the company then closed the customer's account and asked its Credit Reference Team to remove the negative credit markers from the customer's account.
9. On 28 March 2021, the customer contacted the company to complain about the negative credit marker placed on her account, the loss of her mortgage and the stamp duty reduction for her property. Following this complaint, the company requested that the customer provide evidence that the negative credit marker placed on her account had directly led to the loss of the mortgage and stamp duty reduction.
10. Between 13 April 2021 and 5 July 2021, various discussions took place between the parties, resulting in the company disputing liability for the mortgage loss. Following this, the dispute progressed to CCWater, in which the company made various Guarantee Standards Scheme payments and compensated £90.00 for its failures. The customer remained unhappy with the outcome as he believed she had lost the mortgage due to the adverse credit markers and wished the company to pay £10,000.00 for the loss of her mortgage and stamp duty reduction. On 9 February 2022, she commenced the WATRS adjudication process.
11. Concerning the customer's comments that she had been incorrectly charged for a property in which she was not the occupier, the evidence shows the customer had left her previous property and had notified the company of his change of address. However, due to confusion as to the actual flat occupied by the customer, the company incorrectly marked the customer's flat as the REDACTED rather than the REDACTED.
12. The evidence shows that once this error came to light in June 2020, a new account was opened for the customer at the correct address, REDACTED, REDACTED. However, it seems that the previous account was not closed, which meant that the customer's

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

**www.WATRS.org | info@watrs.org**

account for REDACTED, REDACTED address remained open, and bills continued to be produced. These errors led the customer to be chased for an undue outstanding debt, and negative credit markers were added to the customer's account.

13. On careful review of all the evidence, I am satisfied that despite the limitation imposed due to the pandemic, the company had taken early and decisive action at the time of the company becoming aware of the error by opening a new account with the correct address. However, I believe that the company failed to promptly close the existing account with the wrong address, and had the company correctly closed the account opened in error, the issue with the customer's account could have been resolved promptly. The customer would not have been subjected to any substantial amount of distress and inconvenience had the company taken this action.
14. Therefore, I find there are grounds to conclude the company has failed to provide its services to the standard to be reasonably expected by the average person concerning the customer's charges. The company says that once it became aware that the original account had not been closed, it removed any charges and negative markers for the customer's account at the incorrect address. A goodwill gesture of £50.00 was applied to the customer's new account. On careful review, I believe this does not adequately compensate the customer for the distress and inconvenience incurred and the fact that the customer's credit score was downgraded.
15. The customer for this aspect of her claim has requested £10,000.00 for the loss of her mortgage and stamp duty reduction. However, on a careful review of the evidence, I find this sum disproportionate and unsubstantiated as I cannot find any evidence to show that negative credit placed on her account led directly to the loss of her mortgage approval.
16. On careful review of all the evidence and considering the length of time this dispute has been ongoing, I am satisfied that this failure falls within Tier 2 of the WATRS Guide to Compensation for Inconvenience and Distress. Accordingly, I direct the company to pay the customer £100.00 for this aspect of her claim.
17. The company has certain obligations regarding its customer services, and I am satisfied that the company accepts it provided poor service in this respect. I understand that the customer was provided Guarantee Standards Scheme payments totalling £90.00 during discussions with CCWater. After carefully reviewing all the correspondence provided in evidence, I am satisfied the company's payments of £90.00 were fair and reasonable in the circumstances to cover the complaint and any distress or inconvenience to the customer.

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

**www.WATRS.org | info@watrs.org**

18. In light of the above, I find the evidence has proven the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning opening the account for the wrong property and the debt recovery process. Furthermore, I am satisfied there have been no failings concerning customer service for which the customer has not already been adequately compensated.

#### **Outcome**

The company shall pay the customer £100.00.

#### **What happens next?**

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 11 October 2022 to accept or reject this decision.
- If you choose to accept this decision, the company will have to do what I have directed within 20 working days of the date on which WATRS notifies the company that you have accepted my decision. If the company does not do what I have directed within this time limit, you should let WATRS know.
- If you choose to reject this decision, WATRS will close the case and the company will not have to do what I have directed.
- If you do not tell WATRS that you accept or reject the decision, this will be taken to be a rejection of the decision. WATRS will therefore close the case and the company will not have to do what I have directed.



**Mark Ledger FCI Arb**  
**Adjudicator**

*This document is private and confidential. It must not be disclosed to any person or organisation not directly involved in the adjudication unless this is necessary in order to enforce the decision.*

**www.WATRS.org | info@watsr.org**