

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X107

Date of Final Decision: 13 February 2023

#### Party Details

**Customer:** The Customer

**Company:** The Company

#### Complaint

The company removed the customer from the **XXX** Scheme without justification, and went back on its agreement to match the payments the customer made to her water services account. The company also refused to provide a statement of her account charges, and this meant that she incurred unnecessary legal costs after her account was referred to a debt collection agency. The customer wants the company to honour the **XXX** Scheme agreement by applying a credit of £565.00 to her account, reimburse the legal costs of £287.66, pay an unspecified amount of compensation for distress and inconvenience, apologise for the way it has handled the complaint, and clarify whether a copy of a letter allegedly sent to her on 26 May 2021 was fabricated and sent to deceive her.

#### Response

The customer's account was in arrears and she had stopped making payments, so the company accepted the customer onto the **XXX** Scheme and agreed to match any payments made until the customer's debt was cleared. However, the customer failed to make the agreed monthly payments so, in accordance with its policies, the company removed the customer from the **XXX** Scheme and referred her account to a debt collection agency. The customer then settled the debt in full. The company denies liability to reimburse any of the charges or the legal costs, as they were correctly applied to the customer's account. The company also denies liability to apologise and compensate the customer for any distress and inconvenience she has suffered, and denies that the copy of the letter dated 26 May 2021 was fabricated to deceive her.

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### Findings

The evidence does not show that the company has failed to provide its service to the standard reasonably expected by the average person. In view of this, the customer's claim for a reimbursement of charges, a refund of legal fees, compensation for distress and inconvenience and an apology, cannot 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:

- She got into debt with the company because she is a single mother with two children and was struggling to cope financially. Although she tried to pay her water bills, she was unable to make payments after her benefits were cut as she did not have enough money to feed her children and pay all her bills, and she had no choice but to put her children first.
- After discussing her situation with the **XXX** the company accepted her onto the **XXX** Scheme and agreed to match the monthly payments she made on her account in order to reduce her debt more quickly than she could manage on her own. However, she lost her job during the pandemic and her mother was very unwell, so she was unable to meet the agreed repayments.
- She did everything she could to manage her debt and act responsibly, and **XXX** told her to get an up-to-date statement from the company so that she could see how much was owed and make sure that the company had honoured its agreement to match the payments she had made. Her father agreed to help her once they knew how much was owed.
- Therefore, during a telephone call in December 2020, she asked the company to provide her with a statement of her account. However, the company failed to provide the statement. She asked several times afterwards but, again, the company failed to provide the information. Instead, the company referred her account to a debt collection agency even though it knew she was actively trying to pay off her debt and just needed a statement so that she could understand what was owed.
- She also explained to the debt collection agency that she needed a statement to enable her to pay off the debt, but instead of providing it, the debt collection agency started legal proceedings before the deadline date, which added a further £287.66 to her debt.
- In the end, she borrowed the full amount off her father and paid the debt off. However, the amount she paid was much higher than it should have been; not only did it include the unnecessary legal costs but the company had failed to reduce her balance by matching the payments she made under the **XXX** Scheme. The company explained that it did not match

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her payments as she had broken the agreement to make payments, but it failed to give her notice of this.

- The company also states that it was having difficulty contacting her as she had moved to several different properties without notifying it. This is totally incorrect as from 6 October 2011 to date she has only moved once and she notified the company of the move and set up an account.
- The customer service provided by the company has been very poor and it has not been at all sympathetic, and when she complained that she had not received a letter sent on 26 May 2021, it provided a copy that looked as if it had been made up; it was not dated, had no reference number, and had an inaccurate correspondence number. The company says this is because the letter was saved as a Word document. However, the saved Word document would include the customer reference and the date the letter was sent.
- In addition, at that time the company had a system whereby each letter of correspondence that they sent out had a unique reference number in the top left hand margin, and the number increased sequentially with every correspondence sent out. On the letter the company sent with the copy letter, dated 12 October 2021, the number sequence is the same as the copy letter that they say was posted on 26 May 2021, which shows that both letters were typed on the same day.
- Also, the company denied, on several occasions, that she had made any request for a statement during her telephone conversation in December 2020. However, when it eventually provided a transcript of the call, it showed that she actually requested a statement on four occasions during the conversation.
- The company says that during the conversation she agreed that she had "online access", which inferred that she had access to her online account, but this is incorrect. She actually agreed that she had "access to online" but she has never had an online account and could not view the statement at all. During the period between December 2020 and May 2021, she made further requests for a statement to be issued but the company did not respond.
- In view of the above, she wants the company to abide by the original **XXX** Scheme agreement by applying a credit to her account of £565.00.
- She also wants the company to reimburse the unnecessary legal costs of £287.66 incurred as a result of the debt collection agency taking legal action before she was able to review her statement of account and before the deadline for legal action communicated to her in its letter of 13 April 2021.
- She also wants the company to clarify whether the copy letter sent to her was fabricated to deceive her, apologise to her for the way it has handled her complaint, and pay her an unspecified amount in compensation for distress and inconvenience.

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

- It offers a number of schemes to provide financial assistance to customers who may be experiencing financial difficulties or require additional assistance with payment of their water services charges.
- The **XXX** Scheme allows it to help customer's clear debts on an account by matching the payments made by the customer towards an outstanding debt.
- Once a customer is placed on the **XXX** Scheme, a customer will be removed if a payment is missed; however, advance notification is given to a customer before this action is taken to enable them to make contact.
- When a customer is removed from **XXX**, a customer's account is automatically referred to an external debt recovery agency to assist with collection of the outstanding balance. In the first instance, the debt recovery agency will contact the customer by letter or telephone number if available. If this is unsuccessful, it will then attempt to make contact with a customer at their property, and they will attempt to sign up a customer to a tariff or scheme they are eligible for and set them up on an affordable payment plan.
- The customer began to accumulate a debt from 2008 and this continued to increase up until October 2018. It was having difficulty contacting the customer as she had moved to several different properties, and she did not notify it until several months after the event.
- Each time a new account was set up at a new address, the customer made several payments but later cancelled her payment plan. This resulted in her debt increasing.
- Calls to the telephone number registered on the water services account failed as the line was inactive. Mail sent to what it believed to be the customer's address, explaining her account would be forwarded to a debt collection agency due to non-payment, was returned unopened. Emails were sent to the email address recorded on the account; however, it received no response.
- The customer's account for a previous address was closed on 31 March 2015 after it was told by a debt collection agency that the customer no longer lived at the property in question. At the time of closure, the outstanding amount owed by the customer was £2,013.91.
- A letter dated 22 October 2016 was received from the customer, in which she acknowledged her debt and asked it to confirm the amount outstanding and a breakdown of the balance. The customer also asked for details of its financial assistance schemes. The customer provided a new email address to contact her on.
- It issued a letter in response, dated 27 October 2016, confirming that the outstanding debt amount for the period ending 31 March 2015 was £2,013.91. It also issued an account

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statement showing the breakdown of charges and payments received, and explained that the **XXX** Scheme may be beneficial to her and asked her to call to discuss the matter further, and an email address for the relevant team was also supplied. No payment or contact was received, therefore, on 20 December 2016 it asked a debt collection agency to trace the customer and arrange collection of the outstanding debt.

- It received a letter from the customer, dated 14 August 2017, advising that she had sent a letter to the company dated 16 July 2017 and had received no response. The customer gave her new address and said she wanted to start paying for her water services. The customer said she was keen to ensure she did not get into debt at her new address and had discussed her debt with the Citizens Advice. The customer asked if it would consider writing off her debt and she would then set up a direct debit for water charges at her new property.
- The company sent a letter to the customer, dated 18 August 2017, explaining that it has a duty to treat all customers fairly and therefore it was unable to write off the debt. It further confirmed the debt had been passed to a debt collection agency and the customer would need to contact them directly to arrange payment, and a telephone number was provided. In addition, the customer was asked to call to provide the exact date she moved into the property and a direct debit mandate was enclosed with the letter so the customer could set up a payment plan for her new account at her new address.
- It received a letter from the customer, dated 13 September 2017, claiming that she had not received a response to her previous letter. It made three calls to the customer to discuss her complaint directly; however, there was no reply. A letter was sent, dated 29 September 2017, apologising that the customer had not received the response to her previous letter, and a telephone number was provided for the customer to call to discuss her situation. However, the letter also explained that should no contact be received, a water services account would be created in the customer's name for the property from the date it became vacant, this being 21 April 2016.
- It received no contact so a water services account was created for the property with a start date of 21 April 2016. The customer did not set up a payment plan or make contact to make payment or to discuss her debt.
- It made numerous unsuccessful calls to the customer and on 6 April 2018 it referred the account to another debt collection agency to arrange collection of the debt. The debt collection agency was unsuccessful so, on 17 August 2018, the account was transferred to a second agency. Finally, the customer was referred to a further agency to arrange collection of the debt.
- On 13 September 2018, an agent from the debt collection agency visited the customer at the property and completed a financial assessment where she agreed to set up a payment plan of

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£60.00 per month. An application for the **XXX** Scheme was completed for review and the customer was accepted on to the Scheme in October 2018.

- On 6 March 2019, it carried out an adjustment to the customer's water services account to reduce the balance to match the customer's payments in line with the Scheme. The customer continued to make regular payments until February 2020 when a payment request was rejected by the bank. The customer did not make any contact to explain why her direct debit had been rejected or to advise that she may be experiencing difficulties with her payments.
- Two letters were sent to the customer dated 6 February 2020 and 7 March 2020, advising that the payments had not been received and explaining that if the payments were not received the balance would be payable in full. A further letter dated 21 March 2020 was sent confirming the direct debit had been cancelled and the balance of £1,504.35 was due in full.
- The customer was removed from the **XXX** Scheme as she had not maintained regular payments.
- It made numerous attempts to call the customer in relation to the debt on her account; however, the calls were unanswered.
- On 21 December 2020, following receipt of an online form in relation to help available during the pandemic, two calls were made to the customer to discuss her situation, but there was no reply. A text message was sent asking the customer to call.
- It received a call from the customer on 22 December 2020 and the notes on her water services account show she was advised her debt had been referred to a debt collection agency, and she needed to speak with them directly regarding making payment.
- In March 2021, the account was referred to another debt collection agency for potential litigation action to recover any outstanding charges.
- On 15 April 2021, it received a call from the customer who advised she was unemployed but expected to start working again on a part time basis from May 2021. It told her that the debt had been transferred to a debt collection agency, but a payment plan could be set up for the customer to pay her new bill for the period 22 September 2020 to 8 March 2021, as this had not been transferred. The customer advised she was only able to pay £55.00 per month in total for the debt and the new bill. It advised that the best option would be to call the debt collection agency and discuss the payments with them in the first instance.
- During the call it discussed the customer's finances and applied the Essentials Tariff, which entitled her to a 20% discount effective from 15 April 2021.
- On 26 April 2021, it received a call from the customer asking for an account balance. It explained the balance on her water services account was £113.60 for the bill up to 8 March 2021. A monthly payment plan was set up for £27.96. The customer has maintained regular

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payments of £30.00 per month since April 2021 and is currently up to date. However, she did not confirm whether she had been in contact with the debt collection agency to arrange payment of the outstanding debt of £1,715.19 as previously advised.

- On 4 May 2021, it received a call from the customer asking for an up-to-date statement showing her account balance. A copy of her account statement was issued as requested.
- On 7 May 2021, it received a letter from the customer, dated 3 May 2021, stating that she had received a letter advising of a possible County Court claim being made and she asked for an up-to-date statement. As a copy of the statement had already been issued on 4 May 2021, no further action was taken and it was determined that a reply to the letter was not required.
- On 7 May 2021, it received an email from the debt collection agency advising that they had not received any payments from the customer, and it asked if she had made payments of £60.00 per month and if any of these payments should be allocated to the debt. It also said it had been asked to provide an account statement. It responded by confirming payments of £60.00 per month had been received up until March 2020 when the direct debit was rejected. It further confirmed a copy account statement had already been issued to the customer. It asked the debt collection to continue with collection of the arrears.
- It received a letter from the customer, dated 17 May 2021, confirming receipt of the account statement and explaining that she was in contact with **XXX** in relation to her water services debt. She went on to explain that she was on reduced benefits and had little money left to pay and felt that the debt would take years to settle. She stated that her father had agreed to take a loan of £800.00 and asked if it was prepared to write off the remaining £915.19.
- On 26 May 2021, it sent a letter response to the company to advise that she would need to speak with the debt collection agency in relation to her debt. It then received a letter from the customer, dated 2 August 2021, and she asked to make a formal complaint regarding the way her case had been dealt with. She acknowledged she should have paid the debt owed; however, she explained that due to her employment status she was unable to do so. The customer stated she was actively looking to settle her debt and the debt collection agency had been wrongly instructed to proceed with legal action and this had added a further £287.86 to the debt in legal costs. The customer claimed she had made several requests for a copy of her account statement which caused considerable delay. The customer further stated that they had an agreement that her payments would be matched and she was forced to make full payment in a short amount of time. The customer claimed that it had gone back on the agreement to match her payments, which would have allowed a discount of £857.00 from the original debt of £1,715.19.

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- It sent a response dated 18 August 2021 and received a further letter dated 28 August 2021, in which the customer stated she had been unhappy with the response to her previous letter.
- A further letter dated 24 September 2021 was received and, again, it responded.
- A final letter from the customer was received on 4 November 2021. The customer stated she remained unhappy with the responses received and she would ask CCW for help.
- The customer has asked it to apologise for a negligent, unhelpful and uncaring attitude in the way her case has been dealt with. It is disappointed that it has been unable to resolve the customer's complaint to her satisfaction. However, it denies it has been negligent or that the customer's case has been dealt with in an uncaring manner.
- The customer has asked it to abide by the **XXX** Scheme terms and apply a credit of £565.00 to her water services account as she settled the debt in full. It denies any further credit is due in line with the Scheme.
- In respect of the claim of £287.66 for legal costs due to a failure to receive a copy of the account statement within a reasonable timeframe, it rejects this claim for the reasons outlined above.
- As it has not failed to provide its service to the expected standard, it also rejects the customer's request for an unspecified amount in compensation for distress and inconvenience and an apology.
- The customer has asked that it directly addresses her claim that a copy of a letter sent to her on 26 May 2021 appeared to have been 'fake'. Any bespoke correspondence issued in response to a direct letter or email received from a customer is saved on a word document and not letter headed paper. It is unclear why the customer feels the letter has been faked or why she feels it was sent with the intention to deceive. The customer believes the letter in question was 'made up' on 12 October 2021 and not written and issued originally on 26 May 2021 as claimed.
- The letter referred to is a genuine letter sent to her dated 26 May 2021. Copies of all correspondence sent to customers are saved on the customers water services account. An extract from the customer's water services account showing a letter dated 26 May 2021 has been provided.

### **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 customer claims a reimbursement of some of the arrears she paid to the debt collection agency, a refund of the legal costs applied to her account, compensation for distress and inconvenience, and a formal apology. The customer would also like an explanation regarding the authenticity of the copy of the letter dated 26 May 2021. To adjudicate on these matters, I will consider the claims in turn.
2. In order for the customer's claim for a reimbursement of charges to succeed, the evidence must show on the balance of probabilities that the company failed to provide its service to the expected standard by removing the customer from the **XXX** Scheme, and refusing to reduce the customer's balance in line with the **XXX** Scheme agreement.
3. The **XXX** Scheme is a debt support scheme on which a customer agrees to resume payments towards their account debt, and the company agrees to match the payments made pound for pound until the debt is paid off. The customer accepts that she was unable to make the payments agreed under the **XXX** Scheme, and explains that this was because she lost her job during the Covid-19 pandemic and was under considerable financial pressure, and her mother then became seriously unwell.
4. While I sympathise with the customer's position and understand that the very difficult circumstances she experienced prevented her from making the payments, I accept that, as the customer stopped making her monthly payments in line with the terms of the agreement with the company, the company was entitled to remove the customer from the **XXX** Scheme and stop matching her payments. The customer says that the company did not contact her to tell her she would be removed from the **XXX** Scheme. However, the evidence suggests that after the customer's payments were missed, the company sent letters to the customer on 6

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February 2020, 7 March 2020 and 21 February 2020. Although copies of these letters have not been provided in evidence, the company says these were sent to tell the customer that if the missed payments were not received, the full balance would be payable. On balance, I accept that the letters were most likely sent for this purpose as this would be normal procedure in these circumstances. Therefore, I find that on the balance of probabilities, the company did provide sufficient notice to the customer.

5. In view of this, I do not find that the company's refusal to reimburse the customer in the amount it would have contributed had the customer's **XXX** Scheme payments been made amounts to a failing on the company's part; therefore, I find that the amount paid by the customer to the debt collection agency was most likely correct. In view of this, the customer's claim for a reimbursement of the charges she repaid does not succeed.
6. In order for the customer's claim for a refund of the legal fees to succeed, the evidence must show that the company failed to meet the expected standard by referring the customer's account to the debt collection agency and instructing it to take legal action to recover the debt owed by the customer. The customer explains that she had informed the company that she wanted to pay the debt off but needed a statement of account before she could do so, but it failed to provide this for five months and referred her account to a debt collection agency anyway.
7. The transcript of the telephone call of 20 December 2020 provided in evidence demonstrates that when customer requested an account statement, the company said that a statement could be viewed online, and the company asked the customer whether she had online access. The submissions provided by the parties show that this caused some confusion; the company thought the customer had confirmed that she had an online account, and the customer thought that the company was asking whether she had access to the internet. On balance, I find that the interpretation of this interaction by both the company and the customer was reasonable, and I do not find that this misunderstanding amounts to a failing on the company's part. I also find that having tried and failed to find her statement online, the customer could have called the company back as the misunderstanding most likely became apparent to the customer at this point, and the company provided the statement when the customer next made contact in May 2021. I acknowledge that the customer says she made several attempts to contact the company about this between December 2020 and May 2021, however, the evidence does not confirm this.

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8. The customer says that the debt collection agency started legal proceedings before the date it said it would do so, and says that this also caused legal costs to be incurred unnecessarily. However, the evidence does not show that the customer made a firm proposal to settle the debt or settled the debt within the thirty-day timeframe stated by the debt collection agency.
9. On balance, as the evidence shows that the customer's account was in arrears and the customer had stopped making payments for the water services provided by the company, I find that in line with its policies and procedures, the company was entitled to instruct a debt collection company to take legal action to recover the debt and charge the customer accordingly. Therefore, I find no failing on the company's part in this regard and the customer's claim in this respect does not succeed.
10. In order for the customer's claim for compensation for distress and inconvenience to succeed, the evidence must show that the company failed to deliver its service to the standard reasonably expected by the average customer in some way, and that the company's failing caused the customer to suffer distress and inconvenience.
11. I have found no failing on the part of the company in relation to the above matters; however, the customer also says that the company was not sympathetic or efficient while dealing with her complaint, and the company fabricated a 'copy' letter as it had failed to reply to her contact.
12. Having considered the timeline of events and the responses provided to the customer from the company, I do not find any evidence to show that the company was unsympathetic to the customer or failed to provide its customer service to the expected standard. With regard to the letter, I find that the company has provided a reasonable explanation and, on the balance of probabilities, the copy of the letter is genuine.
13. As I find no failing on the company's behalf, the customer's claim for compensation for distress and inconvenience cannot succeed, even though I accept that she has suffered distress and inconvenience as a result of the circumstances she has experienced and as a consequence of raising this complaint. It is my view that most complaints cause distress and inconvenience, and I find that this is particularly true of cases relating to account arrears, especially when a customer is in debt due to difficult circumstances and has done all they can to pay the money owed back. However, as above, the company is only liable to pay compensation if it caused the distress and inconvenience experienced by the customer through a failure to provide its service to the expected standard and, in this case, I do not find that it did.

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14. Finally, as the evidence does not show that the company has failed to meet the expected standards of service, the customer's claim for a formal apology cannot succeed.

15. Following the preliminary decision, the customer made some comments. I have carefully considered the customer's comments and I have addressed some of them by amending my decision above, but some of the issues raised have already been considered during my preliminary adjudication and I find no need to revisit them now. In view of this, while I understand the customer's disappointment, the additional comments do not change my view on the dispute and my decision remains unchanged.

#### **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 27 February 2023 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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