

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT X316

Date of Final Decision: 6 February 2023

#### Party Details

Customer:

Company:

#### Complaint

The customer states that the company did not notify REDACTED when she had paid off arrears meaning she continued to make monthly payments for more than two years after the debt was settled. This had a negative impact on REDACTED financially. She is unhappy with the customer service provided by the company whilst dealing with this matter. The customer requests that the company increase the compensation offered from REDACTED to £1,500.00.

#### Response

The company states the customer was paying off arrears via a monthly standing order, therefore, the management of the standing order was the customer's responsibility. It accepts however that it ought to have notified the customer when she had paid off the debt. The company says it has addressed the areas where it fell short when handling REDACTED case and it is not responsible to pay the customer additional compensation. The company did not make any settlement offer.

#### Findings

The company failed to notify the customer when it ought to have after she had paid off a debt owed to it. This resulted in a credit balance on REDACTED account of approximately REDACTED. This is evidence of the service provided by the company not reaching the standard to be reasonably expected. This caused the customer stress and inconvenience. The company however promptly refunded the overpayment when it came to light. Further, following the customer raising a complaint, it also apologised for not notifying REDACTED sooner and applied a compensation credit of REDACTED as an apology. This was reasonable redress in the

circumstances. There were further instances of the company's customer service provided not reaching the standard to be reasonably expected. Whilst the company applied credits, they were insufficient in view of the number of errors by the company.

#### Outcome

The company needs to take the following further action:

- Pay the customer further compensation of £30.00 for the stress and inconvenience caused by the additional customer service failing.

The customer has until REDACTED to comment on this preliminary decision.

# ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT X316

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## Case Outline

**The customer's complaint (submission by the REDACTED for REDACTED on REDACTED behalf) is that:**

- The customer is unhappy that the company did not notify REDACTED when REDACTED court debt had been paid off.
- As a result she continued to make monthly payments to the company for more than two years after it had been cleared.
- She is dissatisfied with the customer service provided by the company and the amount of compensation offered.
- The customer requests that the company increase the compensation offered to £1,500.00.

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

- It issued a claim (court account with number ending REDACTED) against the customer on REDACTED for an outstanding balance of REDACTED and Judgment by REDACTED was granted on REDACTED.
- The customer set up a standing order on REDACTED to repay the Judgment amount and the Judgment amount was paid in full on REDACTED.
- The customer continued to pay regularly towards the account set up in relation to the claim which resulted in the account going into credit.
- The customer contacted it on REDACTED as she had received a letter to say REDACTED payment arrangement had been cancelled. It explained that the reason for the cancellation was due to the claim (account ending REDACTED) now being paid in full and building credit.
- It asked the customer if she wanted the credit transferring from the paid claim to a claim account that still had an outstanding balance (court account with number ending REDACTED). The customer declined and requested a refund of the REDACTED credit, which it then processed.

- The customer raised a complaint on REDACTED regarding the continued payments advising that she had struggled financially during the period she continued to pay the claim after it had been paid in full, and because she felt that the agent she spoke to on REDACTED had made it difficult for REDACTED to get a refund and was unprofessional.
- On REDACTED, its REDACTED advised the customer that the management of REDACTED standing order was REDACTED responsibility. They also listened to the call of REDACTED and found that the agent dealt with the call in a professional manner.
- As the customer remained unhappy, on REDACTED, at stage two of its complaints process, its REDACTED (REDACTED) team member called the customer and reiterated its policy regarding refunds and said it was REDACTED responsibility to manage a standing order. Its REDACTED team member incorrectly advised that REDACTED current account was in debit, however, they promptly apologised and applied a credit by way of an apology for the level of service being missed on REDACTED and for the mis-advice given regarding the customer's current account.
- In response to contact from the REDACTED on REDACTED, it undertook a review and advised that, at the time the standing order was set up, it did not offer direct debits for court account balances and as such the customer was unable to have this method in place for repaying REDACTED debt.
- As part of the REDACTED investigation, it addressed areas which it fell short and explained its policies once more.
- It applied a credit of REDACTED to the customer's account purely as a gesture of goodwill and by way of an apology following a second review.
- Its policy for accounts that are in credit when other accounts are in debt is to transfer the credit to those accounts to reduce them as the credit is not considered 'true credit' as there is still money owed to it on other accounts.
- The company confirms that a direct debit was set as the repayment method on the remaining court account that had a balance outstanding, as was requested by the customer.
- Therefore, it does not accept it is responsible to pay the customer any further compensation.

## **Reply**

- The customer states she was repeatedly told that it was down to REDACTED own error in not monitoring the court debt. She spoke to "so many" of the company's advisors and all but one were unprofessional.

- When the standing order was originally set up, the company told REDACTED it would inform REDACTED when she had paid off the debt. This did not happen and so she was paying unnecessarily for over two years.
- The company admitted to REDACTED it had no policy in place for monitoring historic debts on standing order.
- REDACTED had to REDACTED, as the REDACTED, it was a difficult time for REDACTED financially. The company did not offer to help with any payment breaks.

### **Comments on Preliminary Decision**

- The customer states that the company is getting away with treating customers poorly without being sufficiently punished and that she is very disappointed.

### **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 REDACTED payments made in relation to a court debt and standard of customer service provided by the company whilst dealing with this matter. The customer

seeks further compensation from the company for the stress and inconvenience caused by alleged failures in the service provided.

2. The company acknowledges that there were service failures on its part but does not accept it is responsible to pay further compensation to the customer as it maintains the credits it has already applied by way of an apology, are sufficient.
3. I note that the outstanding debt owed to the company on the customer's account in question was paid in full by the customer in REDACTED after she made monthly payments since REDACTED. Due to ongoing monthly payments from the customer, a credit built up on this account which, on REDACTED amounted to REDACTED. I acknowledge that the company processed a refund for this amount to the customer on the same date which reached REDACTED bank account on REDACTED.
4. The customer's main claim is that the payment arrangement ought to have ended once the debt was paid in full as per the company's previous advice provided to REDACTED. She states that its failure to do so meant she and REDACTED family struggled financially more than she needed to.
5. In response to the customer's complaint, the company explained during calls at stage one and two of its complaints process that she was responsible for managing REDACTED court accounts and standing orders. It said it had no power to cancel a standing order as this is arranged by a customer via their bank.
6. I accept that the company was not directly responsible for cancellation of the customer's standing order payments made in relation to the court debt in question, as only the customer is able to cancel a standing order via their bank. However, in the circumstances, it is reasonable to expect the company to have informed the customer once the debt was settled in full as this is good practice in order to avoid credits accruing. I can see the company sent the customer an email on REDACTED confirming the debt was satisfied. However, on balance its failure to take this action earlier, at the stage the debt was paid off in REDACTED, constitutes evidence of the service provided by the company not reaching the standard to be reasonably expected.

7. I note that in its response dated REDACTED to REDACTED, the company acknowledged that it could have done more sooner to let the customer know to cancel REDACTED standing order and stated it was sorry if its actions had “made things more difficult” for REDACTED. The company also advised it had applied a REDACTED credit to REDACTED water account as an apology.
8. On balance, I find that by refunding the customer the amount accrued of REDACTED, apologising and applying a REDACTED compensation credit, the company has shown that it has taken reasonable steps to resolve REDACTED complaint. Further, I am satisfied that remedies provided including the compensation amount is reasonable and proportionate to the stress and inconvenience caused by its shortfall in the service provided.
9. I acknowledge that in REDACTED complaint to REDACTED the customer complained that she had to ask the company several times before it agreed to refund the overpayment. The entry in the Timeline dated REDACTED provided by the company at Attachment 3, confirms that during its call with the customer, it suggested transferring the credit to the customer’s account (that was in arrears). Whilst I accept that the company may have a policy which allows it to transfer a credit to another account that is in debt, I am mindful of the customer’s assertion that she had to repeatedly request that it refund the credit balance to REDACTED directly before it agreed to.
10. Therefore, on balance, I find that the customer service provided in this regard constitutes evidence of the company’s service provided not reaching the standard to be reasonably expected. I note that the company has since, in its response to REDACTED dated REDACTED, apologised to the customer for REDACTED having to ask several times as it said refunding the REDACTED was the appropriate thing to do in the circumstances. In light of the company’s apology and bearing in mind that, following the call in question, it promptly processed the overpayment to the customer, on balance, I am satisfied that it has provided sufficient redress in the circumstances.
11. In regards to the customer’s complaint raised regarding the company’s customer service provided, it is clear from the company’s response dated REDACTED that it did not complete a call back to the customer within the timeframe agreed. In its response of the same date, it said that the REDACTED credit applied was to apologise for this. The company’s Timeline shows it applied a credit for REDACTED on REDACTED. I find that the compensation paid is sufficient redress in the circumstances.

12. However, the company also acknowledges that on REDACTED, its REDACTED team member incorrectly advised the customer that she had a water meter and that REDACTED current account was in arrears. The company's notes of the call indicate that the company acknowledged its error during the same phone call and its Timeline indicates that a credit of REDACTED was applied for this "misinformation" provided surrounding the water meter. However, based on the evidence, it is clear that no additional REDACTED credit was applied for this additional instance of the company's service not reaching the standard to be reasonably expected when it ought to have been.

13. In light of this further instance of the company's service not reaching the expected standard, and it not providing compensation for this, I find it reasonable to direct that the company apply an additional REDACTED compensation credit for the stress and inconvenience caused. This falls in Tier 1 of the WATRS Guide to Compensation for Inconvenience and Distress and I am satisfied this is proportionate to additional proven service failing. Whilst I have taken into account the customer's comments made on the preliminary decision, after careful consideration, they do not affect my above findings.

#### **Outcome**

The company needs to take the following further action:

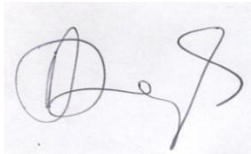
- Pay the customer further compensation of £30.00 for the stress and inconvenience caused by the additional customer service failing.

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

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 6 March 2023 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.

A handwritten signature in black ink, appearing to read 'A. Jennings-Mitchell', written on a light-colored background.

**A. Jennings-Mitchell, Ba (Hons), DipLaw, PgDip (Legal Practice)**

**Adjudicator**