

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT X357

Date of Final Decision: 22 February 2023

Party Details

Customer: XX

Company: XX

Complaint

The customer complains that he does not want to pay for his water in advance. He wanted a pre-payment meter. Despite his complaints about the bill raised on the basis of the rateable value of his property, the company has threatened him with court action, referred his data to a credit reference agency and damaged his credit rating and contacted him when he was on holiday. The customer wants an apology, removal of the adverse entries on his credit file and compensation in an unspecified amount.

Response

The company says that it has followed all its policies, processes and legal and regulatory requirements whilst dealing with the complaint that the customer has raised. The company says that it has provided its services to the standard reasonably expected.

Findings

I find that the company was entitled to bill the customer in accordance with its Charges Scheme, which it has done. The disputed bill required the customer to pay an annual water charge based on rateable value of the property in advance or in two instalments. The customer has not made payment and, despite being repeatedly advised that he should enter into a payment plan or could contact the company to discuss other financial help, he has not done so. There is no evidence that he asked for a water meter before 15 August 2022, although he asked for a pre-payment meter, which the company does not provide. I find that the company would reasonably be expected to tell the customer that it would take court action if he does not pay and to share his data with a credit reference agency. The company has also investigated whether he has been threatened and whether it had information about the duration of his holiday. It believes that the customer was not threatened and it has apologised for contacting him when he did not want this. I find that the company has provided its services to the expected standard.

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Outcome

The company does not need to take further action.

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ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT X357

Date of Final Decision: 22 February 2023

Case Outline

The customer's complaint is that:

- The customer, who says that XX, complains that the company has charged him £235.84 for water based on his rateable value. Given his limited income, he wants to pay for the water he uses and does not want to be billed in advance. He has stated that the company has told him he cannot install a meter without the landlord's approval.
- He is unhappy that the company has said it would take him to court and it has reported negatively on his payment file. He wants the negative entries removed as he is applying for loans.
- Although this is not stated on the application form, the customer has also complained to the Consumer Council for Water (XX) and the company that he does not want to pay for water that is "contaminated" and he has referred to this again in his comments on the company's defence.
- The customer additionally complains that the company contacted him when he was on holiday even though he had asked it not to do so.
- Similarly, the customer has told XX that he wants compensation for how badly he has been treated.

The company's response is that:

- In summary, the company says that the customer is liable to pay the amounts claimed and has followed its policies, processes and legal and regulatory requirements. It denies liability for the claim.

How is a WATRS decision reached?

In reaching my decision, I have considered two key issues. These are:

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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.

I have also carefully considered the customer's comments on my Proposed Decision although the outcome of the Final Decision is the same as the Proposed Decision. The company has not made a substantive comment.

How was this decision reached?

1. The customer says, in essence, that the company has treated him unfairly by raising a bill in advance for the supply of water in a period that has not yet passed and by threatening to take legal action to enforce the bill as well as damaging his credit rating.
2. The documentation submitted to me shows that after a period when the company believed that the property now occupied by the customer was empty, it received information that the customer was resident. The following events then happened.
 - a. 12 November 2021 – the company asked the customer to make contact.
 - b. 25 November 2021 – as the company had received no contact, it opened an account in the customer's name.
 - c. 26 November 2021 – the customer was sent a bill in the sum of £89.99 covering charges from 11 November 2021 to 31 March 2022
 - d. 18 December 2021 – the company sent a reminder letter. It explained that the company could offer assistance if the customer was struggling to pay the bill.
 - e. 4 January 2021 – the company sent a legal reminder due to non-payment. This again offered assistance.

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- f. 31 January 2022 – the company received a call from the customer. The company says that the customer would not give any information but paid the bill in full. The company took the card details from a lady who was assisting the customer.
- g. 25 February 2022 – the company sent its bill for the forthcoming year in accordance with its billing practices for properties where no meter application had been made. This was in the sum of £235.84 and was due to be discharged in two equal payments. The customer had been asked to pay £117.92 by 1 April 2022 and a further £117.92 by 1 October 2022. If it did not receive the first payment by 1 April 2022 the full balance would become due for payment. Information was given to the customer about different ways to pay and a telephone number if he was struggling to pay his bill.
- h. 1 March 2022 – the customer complained that payment was being required before the period in question. The company says that it bills in advance, but the customer does have the option to set up a payment plan. The customer said he would not be paying, so the company explained that unpaid bills would be treated as debts. The customer asked for a manager to call him back to apologise for how the company had spoken to him. He felt that he had been threatened and wanted to go to court over this issue. The company offered a call back but the customer did not want to leave a contact phone number.
- i. 20 April 2022 – a payment reminder was sent.
- j. 7 May 2022 – a legal reminder was sent due to non-payment.
- k. 24 May 2022 – the customer's account was passed to the company's Debt Management team to monitor.
- l. 8 June 2022 – The customer contacted the company. He declined to answer security questions but expressed that he was unhappy that the company had shared data that had affected his credit score. The customer wanted to speak to a Manager and a call back was arranged.
- m. 9 June 2022 – the company called the customer. The company records that it:
 - i. Explained how Rateable Value (RV) bills are issued
 - ii. Explained that it had correctly shared the customer's data which was adverse as he had not paid his bill.
 - iii. Offered to set up a payment plan and explained that he was on a low RVThe customer said that he was happy with RV but wanted his credit file amended and he did not want to be billed in advance. He said that he might need to seek an Individual Voluntary Arrangement but did not want to speak to the company's debt recovery team. His case was in any event passed to the company's Service Recovery Team.

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- n. 13 June 2022 – a phone call at Stage 1 of the company’s complaints process took place between the customer and the company. The company explained its position to the customer. The customer did not believe that it was lawful to bill for services in advance. He wanted to have until 31 March 2023 to pay the bill. He also said that he expected to be moving in 3 months so the bill was wrong. He asked the company to place his account on hold for 2 months as he only has £250.00 a month available, but the company said that it would not do this. It offered to transfer the call to its recovery team to get the best advice and said that it would continue sharing data and that not making payment would only make things worse. The company said that nonpayment could result in a CCJ. The customer said that he would be contacting his legal team and the company’s regulators. He asked the company for its legal authority to charge in this way and said that gas and electric suppliers were more helpful. The company agreed to update the customer by email and to escalate his call to Stage 2. The customer asked for a call back after Wednesday 15 June 2022, as he would be out of the country. On 13 June 2022 the company sent an email confirming why it stated that the charge was lawful.
- o. 16 June 2022 – the customer responded that he was going to take advice from Citizens Advice, including about setting up an Individual Voluntary Arrangement. He asked for time to do this.
- p. The company tried to contact the customer by mobile phone but could not do so. It emailed the customer explaining that it would be contacting the customer at the property address at regular intervals addressed to The Occupier, so that anyone else who had taken possession of the property could contact the company. The customer was also told that the company carries out monthly searches with credit reference agencies and the Land Registry to try and obtain the name of the person living at apparently empty properties. The company explained the background of its contacts with the customer as set out above, and stated that it had offered options to pay and provided contact details as well as a link to the company’s privacy policy so that the customer could see how his details were handled. It explained that sharing data just meant that the company sends a snapshot of the status of the account around 14 of each month. The company said that it understood that the customer may be moving out in the next few months and invited the customer to pay his bill in instalments.
- q. The letter went on to state that the company had developed its charges scheme for household customers, under section 143 of the Water Industry Act 1991, and in accordance with its instrument of appointment that states that its charges must not be

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higher than the price limit set by Ofwat. The billing for the customer's own property was then explained in detail and the customer was also referred to the company's webpages. A payment plan was again offered, and the customer was advised that if he set up a plan immediately, this would avoid a return to the credit reference agency indicating that the debt was two months' overdue. The customer was then referred to the complaints procedure.

- r. The customer replied that he had explained he was out of the country until 18 June 2022, that he has an income of £250.00 a month & rent of £410.00 per month. He said he was not happy that the credit report was a total of £250.00 which he could not pay. He said that he had asked for a breakdown of how much he would owe from "standing of this year" or pre-payment meter which was also refused. He said that he would leave the property and start legal action. He asked to be contacted by WhatsApp. He said:

I will also add I have stated I am away from the country on a vacation & requested no disruptions to my holiday. I want this to be noted in a formal complaint & raised to the supervisor above your self. Anything else will be take down & provided to the correct regulators.

- s. The customer also asked for deletion of his personal information under the Data Protection Act 2018. He complained that he had been threatened with enforcement action and bailiffs as well as a CCJ. He said he has now been told that the company could provide a pre-payment meter. The customer further complained that he had been treated poorly by the company.
- t. 29 June 2022 – the company replied explaining that it was unable to call using WhatsApp and instead sent an email. The company said that it does not expect the customer to pay in full and would accept payment for the services used and then make a payment at the end of each month. The customer was again advised to call the debt recovery team with his income and expenditure details to agree a suitable payment plan. The company was not prepared to remove or make changes to the data that had been shared because this was accurate. The company said that it could not provide a pre-payment meter but could confirm the bill for the year to date was an average of £0.65 per day which is less than the average charge for a single occupier using 140 litres of water per day. The company also said that it could not remove the customer's personal data because he has an active account. The company also apologised for disturbing the customer when he was away but stated that it had listened to the call on 13 June 2022

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and had not found that anything threatening had been said and also confirmed that the company had asked for the customer's availability to receive a manager's call and it had been told that it could call before 11 am the next day, otherwise on or after Wednesday, but no specific dates were discussed at the time.

- u. 29 June 2022 – the customer responded, again raising his complaint about advance billing and the impact of the company's position on his credit file. He raised the question of monthly billing to which the company replied on 1 July 2022. The company explained the customer's liability to pay on a monthly and half-yearly basis.
- v. 1 July 2022 – the customer replied that he had no problem in paying the bill but needed time to acquire the funding in full. He said:

At the time you had refused to give me the information or allow me to make payment & had refused to give me a meter, therefore extending damages to my credit report. I do not see this as a debt. I see this as an unlawful bill. & exhausting [sic] money from others as well harassment.

- w. 12 July 2022 – as a gesture of goodwill the company agreed to put the account on hold until August 2022 to allow the customer time to review his options and take advice from the Citizens Advice Bureau and/or the Consumer Council for Water. The customer was advised that on 12 August 2022, the hold would be removed from his account. The customer was again encouraged to ask for a payment plan.
- x. 12 July 2022 – the customer responded that he would like to see about the markers on his credit file as he was “made unaware of the outstanding debt” when he made contact with the company. He suggested that he had offered to pay a monthly amount. He said that going forward he would like to doublecheck the amount owed by 30 of this month. He thanked the member of the company's staff for ensuring that he had received correct information. He said that he would have to continue the complaints due to damages and incorrect information when seeking advice, prior to raising the matter to the second Stage.
- y. 20 July 2022 – the company again explained that it was entitled to share data. It confirmed that the customer's account remained on hold until 12 August 2022. The company stated that as the customer did not have a payment plan in place then £235.84 was due in full. The customer was again asked to call the Debt Recovery team.
- z. 20 July 2022 – the customer replied on the same date saying that, as there was no contract, he could not be required to make payment each month and therefore the

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company could not report a late payment to the credit reference agency. The customer asked the company to disconnect the service and said that he did not agree to receive it. The customer also asked for information about the water quality.

- aa. 22 July 2022 – the company reminded the customer that when it sent the bill on 24 February 2022, this had stated:

Your first payment of £117.92 should reach us by 1 April 2022. If you don't pay the amount due you will need to pay £235.84 in full. We'll send you a bill for the second half of the year in September.

The company said that without a payment plan the shared data was correct. The customer was told that if he wanted to call the writer, she would speak to the debt recovery team on his behalf. As for the customer's request for disconnection, the company said that sections 62 and 63 of the Water Industry Act 1991 permit him to serve a disconnection notice for the property but where a disconnection notice is served, the local authority must be informed within 48 hours. Under sections section 77 to 85 Water Industry Act, the local authority has certain duties which would mean that it would not permit the customer to live in a property without an adequate water supply. Any reconnection would be chargeable and the customer would, in any event, still be liable for sewerage charges. Disconnection would need to be discussed with the owner of the property. The customer was then directed to XX if he wished to take matters further. In relation to the water quality, the customer was directed to the company's website to search for "Check your water quality" and enter his postcode in order to see the results. Alternatively, the company provided a link. Additionally, the company explained the statutory provisions that entitled the company to make a Charges Scheme, raise charges and make provisions about the time and methods of payment. The Charges Scheme is approved by Ofwat. The company pointed out that this confirms that all charges were payable as stated on the bill. The customer was also advised that a colleague from our Case Management team would contact him.

- bb. 15 Aug 2022 – the company spoke to the customer. He said that he wanted a water meter but the company was not able to discuss this with him. He was therefore sent an email directing him to the company's website. The customer is recorded as having offered to make payment of £78.61 but became agitated when he was asked to set up a payment plan for the rest of the bill. No payment was made.
- cc. 15 Aug 2022 – the company sent its brochure - XX
- dd. 15 August 2022 – an email was sent summarising the conversation. This included the following explanation

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As explained today we don't offer the facility to take a payment and then call a customer back 30 or 40 days later to ask for another payment.

At your request I explained if you were paying monthly you would have paid £78.61 for April, May, June and July and you initially said you would make this payment. However, when I explained that unless you then agreed to an ongoing payment plan then our recovery action and the data we share would continue you became unhappy with the advice I was offering and felt this was harassment and disrespectful. I did explain this was not my intention but I had to explain the consequences of not paying your bill.

I've explained that your account is being monitored by our debt recovery team who are currently considering court action. I offered to transfer your call to them to agree a way forward but you declined.

I've also explained you have the option to set up My Account by visiting our website and explained you can make payment on line or by phone, but again, unless the bill is now paid in full or a payment plan is set up our recovery action will continue.

You then mentioned that we'd refused to fit a meter, I explained you had only ever asked for a pre-payment meter which is also known as a 'pay-as-you-go' meters which are a type of domestic energy meter that requires users to pay for energy before using it. Energy is added by using a smartcard, token or key that can be topped up at a shop or via a smartphone app and are offered by gas and electricity companies, as explained previously this is not a facility we offer.

You have now told me that your intention was to ask for a meter to be fitted, at this time you were very unhappy with my call and I was unable to go through the details of having a water meter fitted. However, I have arranged for our water metering pack to be sent to you separately by post in the next 10 working days.

You can also apply for a meter on line and read the full terms and conditions of having a meter fitted by using this link: [XX](#)

For customers who rent a property they only need a tenancy agreement for 6 months or more to apply to have a water meter fitted. You've told me in the past that you do not intend to stay at this property for much longer so you may want to discuss having a water meter fitted with your landlord/owner of the property as once it is fitted it will not be removed.

Your property has a low RV which means your bill for the year is £235.84. You may be interested to know that the average single occupier uses around 149 litres of water a day and the average bill is £297.11. You can get a better estimation of how

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much your metered bill may be by visiting our website and using the online water usage calculator.

If you do choose to have a meter fitted you will continue to be charged by RV until the day the meter is fitted. You would then receive a final RV bill and any bills issued after this would be based on your water usage and due for payment straight away.

...

The first time I have any record of you asking for a meter is in your email of 18 June 2022 and if you do choose to have a meter fitted I would be happy to backdate your metered charges to this date as a gesture of goodwill.

ee. The customer then approached XX. In correspondence with XX the company (broadly) set out the explanation above and declined to change its position.

3. Based on the history above, I find that the company has supplied its services to the expected standard. I reach this conclusion for the following reasons:
 - a. Under the Water Industry Act 1991, the company is entitled to charge for its services and publish a Charges Scheme. I am mindful that Ofwat approves the published schemes. This was explained to the customer in detail on a number of occasions in the exchanges referred to above. I find that an average customer would reasonably expect that the company would charge for water in accordance with its Charges Scheme. There is no evidence that the company has departed from its Charges Scheme in relation to the disputed bill.
 - b. I am also mindful that it is customary among water undertakers for water services bills based on the rateable value of properties to be rendered annually in advance of the supply of water. This is not the case where the amount of water used by the customer is measured by a water meter or where there is a payment plan in place, whereby the bill is divided equally into smaller amounts over time. As the disputed bill was correctly raised by reference to the rateable value of the property and payment was requested in two instalments, one before the start of the period and the other before the commencement of the second six months of the billing period, I find that the customer was charged according to that process and the amounts that he had to pay (including that it was payable in two instalments) were explained to him. I therefore find that the company had acted in a way that would reasonably be expected by asking for payments to be made in advance.
 - c. Having raised the bill, I find that an average customer would reasonably expect the bill to be paid. To allow some customers to make late payment, other than under ways

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- envisaged by the Charges Scheme (or others of the company's overarching practices and policies) would not be fair to other customers who have met the company's requirements for discharging the bill.
- d. One way of making payments of the bill in accordance with the Charges Scheme was to set up a payment plan. The customer was advised about this on many occasions but he declined to do so - seemingly because he believed that being asked to make payment in advance of water usage was unfair. I find that in advising the customer in this way on many occasions, the company had provided its services to the agreed standard.
 - e. The customer was also advised that he could contact the company to talk about other hardship schemes, but again he declined to do so. Again, I find that in directing the customer towards help that could be offered, the company had met the standard that would reasonably be expected.
 - f. There is no evidence that the customer asked for a water meter before 15 August 2022 although it is probable that this had also been discussed at the point when the customer was told that he had a very low RV on 9 June 2022. The low RV was also confirmed on 29 June 2022. It is therefore likely that the customer would have been worse off if a meter had been installed. The customer had, however, asked for a pre-payment meter, which is something that the company does not provide. I find also that this is a service that the company is unlikely, consistently with its statutory duties, to be able to provide, because the effect of non-payment for the water would be that the supply was cut off, and the customer would receive no clean water. I find that an average customer would not envisage that such a system would be fair or appropriate.
 - g. The customer says that he was told that he could not have a water meter without his landlord's approval. It is not clear whether the customer says that he was told this before 15 August 2022 but the company acknowledges that he might have been told that for a tenancy of less than 6 months, his landlord's approval would be required. It is notable that the customer from the outset had been unwilling to share information with the company and I find from the correspondence and discussions referred to above that the company was throughout this period unclear as to the customer's precise status in the property. I find that there is no evidence that the information provided to the customer was inaccurate and therefore I also find that the company has not failed to meet expected standards.
 - h. The customer complains that he was threatened by the company in respect of court proceedings. When, however, legal action is likely to be the consequence of non-payment of bills, I do not find that it is unfair or threatening for the customer to be told

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about this. Indeed, I find that it would not be fair to a customer if he were not warned that the company would take this action in the event of non-payment of the water bill. Having regard to the correspondence and discussion between the parties as explained above, I find that the company made clear to the customer what the consequences of non-payment would be. There is no evidence that this was done in a way that was discourteous. The company has listened to the call recording for 13 June 2022 – the conversation about which the customer complained – and found that the conversation had been conducted in an appropriate way. In circumstances where I find that the customer was not prepared to discuss ways in which the bill might be paid off by a payment plan, I find that by explaining that court action would be taken, the company was acting in a way that an average customer would reasonably expect.

- i. The customer also complains that the company has wrongly reported his credit score because it has been stated as unpaid before the months in which the water would have been supplied. This, however, I find is not a correct analysis. The company had raised the bill and in the absence of a payment plan, it became payable straight away – in two instalments if half of the bill was paid within the time specified, but if that payment date was not met, it became payable in its entirety. Failure to pay therefore meant that the customer was in debt. The company explained this to the customer on a number of occasions and also explained repeatedly that if a payment plan were to be set up, the customer would not be in debt because he would be making payments under agreed arrangements. I am mindful that data sharing is standard practice among many water suppliers and it is countenanced by Ofwat. I find, therefore that the company has not failed to meet expected standards in sharing the customer's data with credit reference agencies.

4. As for whether his water was contaminated, I am mindful that under rule 3.5 of the Scheme rules, issues of water quality fall outside the scope of this Scheme, but I also note the customer has put forward no evidence that his water did not meet acceptable quality standards. When he asked the company about this, it directed him to where he could find information about his water quality. I do not find that the company has failed to meet expected standards.

5. The customer complained to the company that it had contacted him when he was on holiday and he had asked for this not to happen. He complained about this to the company, which told him that it did not have information of his return date, but nevertheless apologised for the

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intrusion. I find that the company has taken appropriate action in listening to the call recording of 13 June 2022 and apologising. I therefore do not find that it fell short of expected standards.

6. For completeness, I add that the customer has also complained in reply to the company's response that its demands for payment had affected his business, which is run from that address, that he has been fraudulently asked to make payment of the bill to a debt recovery company and that the company declined to put his account on hold when he requested it. I find that none of these matters fall outside the scope of behaviours that a customer would reasonably expect, and in respect of the first two of these additional complaints, there is no supporting evidence. The customer says that he is being asked to pay an estimated bill. I find that the bill is a final bill and is not an estimate.
7. As I have found that the company provided its services to the expected standard, It follows that I find that the customer is not able to succeed in his claim for changes to be made to his credit file or for compensation and an apology. The company is not required to take further action.

Outcome

The company does not need to take further action.

XX

XX, Barrister, FCI Arb.

XX

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- You must reply to accept or reject this decision.

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