

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X425

Date of Final Decision: 30 March 2023

Party Details

Customer: The Customer

Company: The Company

Complaint

The customer claims that the company incorrectly opened an account, charged him for a property he was not resident at and then pursued him for a debt that was never due, all of which led to a County Court Judgement, a loss of credit rating, inconvenience, and distress. The customer wants the company to pay additional compensation of £572.64.

Response

The company says the account was opened correctly because the customer was the owner of the property and had not advised the company that he was not the occupier. Several bills and reminders were sent to the customer between January 2021 and October 2022, including the Notice of Further Action letters. The company states that as the customer failed to keep his account updated regarding payment, it was entitled to begin its recovery process according to its policy in its Charges Scheme. Once the company became aware that the customer was not the occupier and a tenant was the resident, the County Court Judgement was set aside, the customer's negative markers were removed, and the customer's account was closed. The company has made payments of £643.67 for the customer's court fees, home insurance increase, the adverse effects on the customer's credit rating and service failures. The company has not made any other offers of settlement.

Findings

I am satisfied that the customer has not proven the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning opening an account for the customer and the debt recovery process, nor has the customer proved the company failed to provide services to the standard to be reasonably expected when investigating these issues. 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 does not need to take any further action.

The parties have until 27 April 2023 to comment on this preliminary decision.

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Case Outline

The customer's complaint is that:

- The company incorrectly opened an account, charged him for a property he was not resident at and then pursued him for a debt that was never due, all of which led to a County Court Judgement, a loss of credit rating, inconvenience, and distress.
- The customer wants the company to pay additional compensation of £572.64.

The company's response is that:

- As the customer was the property owner and had not advised the company that he was not the occupier, the account was opened correctly.
- Several bills and reminders were sent to the customer between January 2021 and October 2022, including the Notice of Further Action letters.
- The company states that as the customer failed to keep his account up to date regarding payment, the company was entitled to begin its recovery process according to its policy in its Charges Scheme.
- Once the company became aware that the customer was not the occupier and a tenant was the resident, the County Court Judgement was set aside, the customer's negative markers were removed, and the customer's account was closed.
- The company has made payments of £643.67 for the customer's court fees, home insurance increase, the adverse effects on the customer's credit rating and service failures.
- The company has not made any other 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 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 incorrectly opening an account for the customer, charging him for a property he was not resident at and then pursuing him for a debt that was never due.
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 of Service scheme (GSS).
4. The evidence shows that on 2 February 2018, the company carried out a Residency Validation Check, which showed the customer as the property owner. On 21 September 2019, the company sent its first letter of intent to bill. This was followed by two further letters on 5 October 2019 and 8 January 2021.
5. On 22 January 2021, as no contact had been received by the company, the evidence shows that it opened an account for the customer on 6 January 2021. Between 22 January 2021 and 25 October 2022, the evidence shows that the company sent various bills, reminders, legal notices, and a default notice to the property. As there was no response to any of the correspondence, recovery action was taken automatically. The evidence shows that a default was entered against the customer on 13 September 2021, and a judgement was entered against him on 12 December 2021.
6. On 30 November 2022, the customer contacted the company and explained he was a joint owner of the property, he did not live there and was not responsible for the bills. The customer explained the property had a tenant, and he sent the company the relevant tenancy agreement. I understand that this shows a tenant should have been responsible for the charges at the property since 17 September 2020.
7. On 1 December 2022, the company closed the customer's account, cancelling all his charges, and sent a request to the courts asking for the judgement to be set aside. A new account was opened for the customer's tenant.

8. However, the customer remained unhappy with the actions taken and their effect on his credit file. I understand that the company made various goodwill gestures and compensated the customer with a total of £643.67. The customer remained unhappy with the outcome as he believed further compensation should have been offered, and on 28 February 2023, he commenced the WATRS adjudication process.
9. Concerning the customer's comments that he had been incorrectly charged since January 2021 for a property in which he was not the occupier, the evidence shows that as the water was being used at the property and no resident within the property notified the company that they were occupying the property, the company carried out its own investigations as to who might be using its services and because of these checks that it found the customer's details.
10. The company's Charges Scheme sets out that under Section 144(c) of the Water Industry Act 1991, there is an obligation on a property owner who does not live in the property themselves to inform water companies of their tenant's details. If the property owner does not notify the water company, then the property owner and the occupier may become liable for any charges.
11. The evidence shows that as there was no response to the company's "intention to bill" letters and no tenant information was given to the company, the company was correct and acted in good faith when opening an account for the customer at the property. Considering the above, I find that it has not been proven that 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 property.
12. Concerning the debt collection process, between 22 January 2021 and 25 October 2022, the evidence shows that the company sent various bills, reminders, legal notices, and a default notice to the property. The evidence shows that no correspondence was returned to the property advising that the details were incorrect.
13. Section 143 of the Water Industry Act 1991 allows the company to set a Charges Scheme. Where a bill has not been paid, in line with the company's Charges Scheme, a debt recovery process is in place for all its customers. In compliance with OFWAT's guidelines on debt collection, if no payment plan is in place or full payment has not been received, the company is entitled to report any late payment to the credit reference agencies and pass the debt onto a debt collection agency.

14. The evidence shows that no payment was made. Accordingly, I believe that the company was entitled to report any late payment to the credit reference agencies and then proceed to acquire a County Court Judgement. Considering the above, I find that it has not been proven that the company failed to provide its services to the customer to the standard to be reasonably expected by the average person concerning its debt recovery processes.
15. The company has certain obligations in respect of its customer services. I understand that the company appreciated that the customer did not live at the address, and it was likely his tenant did not pass the correspondence on to him; as such, the customer was provided goodwill gestures totalling £643.67. After carefully reviewing all the correspondence provided in evidence, I am satisfied the company's payments of £643.67 was fair and reasonable in the circumstances to cover the complaint, any loss of credit rating and any distress or inconvenience to the customer.
16. The customer has made comments on the preliminary decision and having carefully considered each aspect of the customer's comments, I find that they do not change my findings, which remain unaltered from the preliminary decision.
17. In light of the above, I find the customer has not 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 and the debt recovery process, nor has the customer proved the company failed to provide services to the standard to be reasonably expected when investigating these issues. 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 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 April 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.

A handwritten signature in black ink, appearing to read 'M Ledger', with a long horizontal line extending to the right.

**Mark Ledger FCI Arb
Adjudicator**