

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT-X454

Date of Final Decision: 25 April 2023

#### Party Details

Customer: XX

Company: XX

#### Complaint

The customer says that before the customer moved to its new billing system, the company has been calculating his bills incorrectly. He wants the company to recalculate his bills, remove negative credit markers and pay compensation.

#### Response

The company explains that the customer's credit file will not be amended due to the late/missing payments on the account. The company has applied a £100.00 goodwill credit to the account and £80.00 in total in Customer Guarantee Scheme (CGS) credits to address late responses. The customer accepted the £100.00 goodwill payment in September 2021 and was advised at that point that the remaining balance was £25.91 (this takes into consideration £20.00 already applied for CGS). No payments have been made into the account since 1 September 2020, when the balance was £145.91. The company has, however, identified that it has omitted to charge the customer for the final bill before closing his old account and moving to the new billing system. It also has not answered four of the customer's questions about the amounts that he has been asked to pay. It has credited the customer's water account with enhanced CGS payment and an additional goodwill payment of £250.00 and made an apology.

#### Findings

I find that the evidence does not support the claims that the company has incorrectly calculated the customer's bills or that the company has agreed to or should alter the customer's credit file. The company has, however, acknowledged that the company did not bill the customer in respect of the final bill raised before the change to the new billing system. It has waived the amount of £279.81. In addition, in four respects it has not answered the customer's questions and I find that in these respects, the company did not provide its services to the expected standard. I find that the apology, the credit of £250.00 and waiver of the sum of £279.81 is fair and reasonable compensation and the company should not be directed to take further action.



Outcome

The company does not need to take any further action.

# ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT X454

Date of Final Decision: 24 April 2023

## Case Outline

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

- The customer argues that the company has been calculating his bills incorrectly.
- He is unhappy that his credit file has been impacted and feels this should be amended as he was advised that there were issues with the company's billing system which led to late payment markers being made on his credit file when the balance was showing in credit.
- The customer wants his credit file to be updated and negative markers removed as, when his initial complaint was raised, he was told over the phone that the late credit markers would be removed and a goodwill gesture applied. The customer asked for the complaint response to be put in writing, but this was never done.
- The customer wants the company to.
  - Remove negative late payment markers from his credit file.
  - Provide compensation for stress and inconvenience caused and for the length of time taken to deal with his issues.
  - Close his account.

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

- The company explains that this issue concerns the customer's account at his former address and the billing issues that arose at a point when the company transferred to a new billing system in 2019, which involved the closing of one water account and the opening of another.
- It states that there was an error in the customer's favour which has reduced the amount that the customer owed to the company by £279.81 because two closing bills were cancelled and due to a computer error, no re-billing of the closing period occurred.
- The company has applied a £100.00 goodwill credit to the account and £80.00 in total in Customer Guarantee Scheme (CGS) credits to address late responses. The customer accepted the £100.00 goodwill payment in September 2021 and was advised at that point that the remaining balance was £25.91 (this takes into consideration £20.00 already applied for CGS). However, the company says that it has identified some further service error for which it has credited the customer's account with a further sum of £250.00 and has made an apology.

- The company denies further liability for the claim.

### 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.

I confirm that in reaching this Final Decision, I have taken into account the customer's comments on my Preliminary Decision. The company made no substantive comments. The outcome of my Final Decision is, however, the same as the outcome in my Preliminary Decision.

### How was this decision reached?

1. The documentation submitted to me shows that the customer raised a complaint about his billing in mid-2021, which he initially complained was not addressed appropriately. In particular, the customer said that he entered into a payment arrangement of £50.00 per month at a time when the outstanding amount of his bill was £550.00. At the time of the transfer of the account, he said that this had dropped to £145.19 although he had made a payment only of £50.00 in two instalments. He complained that nonetheless, debt collectors were asking him to pay a larger sum because they said that the bill was £165.00, which was more than that claimed by the company. He then said that he received two statements from the company on 12 July 2021 and 2 August 2021 which showed 0 owing and then a credit figure of £66.00.
2. The company says, however, that this issue has been resolved because in a telephone conversation of 10 September 2021 with a manager, the company agreed that it would pay a further goodwill figure of £50.00 (making a total goodwill credit of £100.00 and would also make CGS credits, leaving an overall balance of £25.19.

3. The company says that this resolved the issue because the customer accepted this amount – and in due course the outstanding balance of £25.19 has been written off and the account closed with no requirement for the customer to pay this unless his account goes into credit, in which case and no adverse consequences for his credit file. However, the customer says:
  - a. That the company has not answered the question about how his account could suddenly drop and this indicates that he was being overcharged, and
  - b. That he was also told that alterations would be made to his credit file because of the goodwill payments and CGS, but the company is refusing to do this.
4. The customer has followed his complaint through the company's complaint process and that of the Consumer Council for Water (CCWater) but he is not satisfied with this process.

The question about how his account balance could have dropped

5. On 29 December 2022, the company made an explanation to the customer of what had happened in relation to his billing. It attached an excel spreadsheet and said:

*When looking at your account in our old system I can see multiple bills with some being cancelled and revised, to make it as simple in my breakdown as possible I'll show you dates of the payable bills and how much they were, alongside how much you paid towards your bill to show the final amount on your account. Due to the revised amounts, these won't line up exactly to the bills you received on these dates, but they are the correct amount in our system covering the full time your account was open for, and are as follows:*

- £377.63 - 10 May 2016
- £408.37 - 16 May 2016
- £48.37 - 10 June 2016
- £346.27 - 20 December 2016
- £324.30 - 08 September 2017
- £280.85 - 06 June 2018
- £339.60 - 08 August 2019
- £339.94 - 19 December 2019

*This totals £2465.33 for the time your account was open. We received a total of £2320.14 in payments for the time your account was open, leaving an amount of £145.19 left to pay.*

6. The company also explained that, when the account moved to the new system, a £66.00 credit on his bill was a mistake but the actual billed amount was shown as £145.19.
7. Although this calculation justified arrival at the sum of £145.19, this did not answer the customer's question about why, shortly before the transfer to the new billing system, there had been a sudden drop in the outstanding amount. This has now been explained in the company's response. The company says that it had billed the account to the closing date of 19 April 2019 on two occasions however, both bills were subsequently cancelled, and the account was never rebilled because the computer system has had a "ready to bill" row which for some reason was not released and is still showing as "ready to bill". This is in the sum of £279.81. This occurrence had the consequence that the company did produce bills for a time on the closing estimated readings and chased payment of balances on those amounts, then just before transfer of the account to the new system, the bill was cancelled and was not rebilled. This means that the customer has seen a reduction in his charges which the company now accepts that it has not adequately explained to the customer in its correspondence. The company explains, however, that due to the amount of time that has passed, it does not intend to rebill the account by adding £279.81 to the new account. I find that this potential claim is therefore waived.
8. I summarise, therefore, that I find that both the billing error and the company's previous failure to explain this issue to the customer despite his requests for an explanation, were customer service failures and in these respects, the company did not provide its services to the expected standard. However, I am also mindful that the customer has benefited from the company's billing mistake, and I find that he has suffered no detriment in this regard.

#### Credit file

9. The customer says (and has repeated in his comments on my Preliminary Decision) that he was told that the company would adjust the adverse credit markers on his credit file. This issue was raised as a complaint in May 2022 and the documentation held by CCWater shows that the company has looked into this. The company has looked at the account notes of conversations with managers during the relevant time and has not found any record of a promise made by the company to alter the credit file. There is an entry of a discovery on 17 May 2022 that the account notes indicate that the customer was told that the credit markers would remain. The reason that was explained to the customer for this is that there have been no adjustments to the sums charged to the customer, which the company says have always been due, but the company has applied credits as a matter of goodwill and for customer service payments. These do not reduce the debt.

10. Moreover, I find that it is improbable that the company would have agreed to this. The company has submitted evidence that its policy has been to report credit information to credit reference agencies since July 2015. In its response to the application, the company has set out in considerable detail the reason why it states that it was right to provide adverse credit information in the customer's case. I have not set out the detail of this, but I confirm that having considered the company's account and the supporting evidence, there has been a long history of late payment and non-payment of bills, payment plans that were set up but the customer did not adhere to. The company has provided many examples of reminders sent to the customer when bills were not paid on time or when any agreed payment plan or direct debit was not adhered to. As well as final demands and debt recovery notices (notices) sent and the balances which were outstanding either in full, or payments missed at the time the bills or notices were generated:

11. I find that the evidence does not support that the company agreed to alter the customer's credit file and it follows that I therefore also find that the company has not omitted to provide its services to the expected standard because it has not notified the credit reference agency of a correction to the customer's credit file.

#### Other customer service issues

12. In its response to this application, however, the company has also acknowledged some further service failures in addition to its omission to explain to the customer how the drop in his outstanding balance had come about. These are that:

- a. On 29 December 2022, the company had not produced the bill breakdown to correlate with the outstanding balances that the customer owed and for which he had received bills and reminders for. The company acknowledges that this has led to confusion, but the explanation did not justify the amount of the outstanding bill as at the date of opening of the new account.
- b. In addition, the company did not explain that the statement showing a credit balance of £66.94 was only up to 17 December 2018 and not up to the date the statement was produced on 2 August 2021. The company says that the customer should have been informed that when customers make payments they are always utilised towards the oldest debts first. Therefore, all payments which had been received on the account had cleared some balances, not all. The customer was correctly told, however, that the statement was wrong.

- c. The company also says that the customer's question about why statements sent to him were for "0" owing and £66.94 in credit also was not adequately answered. The company says that an investigation should have been carried out with the company's IT Department.
- d. Finally, the company says that it has not answered the customer's question about why a debt collection activity was being carried out for approximately £160.00 at a time when the customer was being told that the account balance was lower than this. The company confirms that it did ask its debt collection agency, **XX** to attempt to obtain this amount, the file was returned as the agency was not able to do so.

### Remedies

13. For the avoidance of doubt, I add that I do not find that the evidence supports the claim that the company has charged the customer incorrectly. It follows that in respect of the further issues that the company has acknowledged, I agree with its concession that it had not provided its services to the expected standard, but I do not find that the customer has proved that a recalculation of his bills or an alteration of his credit file would reasonably be expected.
14. As for the customer service issues identified above, the company has stated that its policy is to make CGS payments of £20.00 for each late response to a consumer complaint, which includes a situation when the company has not answered the customer's questions. The company has expressed its opinion that in the circumstances of this case, it would be fair and reasonable to make an enhanced CGS payment of £50.00 for each issue, which totals £200.00. In addition, the company says that a further sum of £50.00 would be appropriate for the fact that the customer had to escalate his complaint to CCWater but the company did not review this complaint and he then had to make a WATRS application. The company says that compensation of this amount takes into account the stress and inconvenience each of the issues. The company says that it has credited this amount to the customer's account, and it has also made clear that it offers a written apology in its response.
15. It follows from the above that the company has addressed the question of remedies in respect of the customer's concerns and I do not find that he is entitled to the other remedies that he asks for. In respect of the amount of the CGS payments made, I note that a payment of this amount is within Tier 2 of the WATRS Guide to Compensation for Inconvenience and Distress and I also find that it is fair and reasonable to take into account the waiver of £279.81 referred to above. I



find that the company's approach to this issue has therefore been fair and reasonable and I do not make any further direction.

16. It follows that I find that the company is not required to take any further action,

**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.
- 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.

*Claire Andrews*

**Claire Andrews, Barrister, FCI Arb.**

**Adjudicator**