

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT X329

Date of Final Decision: 8 February 2023

Party Details

Customer: XX

Company: XX

Complaint

The customer complains that she submitted forms in 2019 to renew her eligibility for WaterSure, but these were not actioned by the company, and she is now being asked to pay a large bill because the discount was withdrawn. She complains that the company has not taken responsibility for this, has not taken her complaint seriously and has sent reminders and damaged her credit rating at a time when the customer challenged her liability to meet the bill.

Response

The company says that in August and September 2019, it sent the customer forms to renew her participation in the Scheme and reminded her by correspondence and text because the forms had not been received. After 57 days, the customer was withdrawn from the Scheme until she contacted the company in February 2021 and made a fresh application. The company says that its actions have been consistent with applicable legal Regulations and its Charges Scheme. It says that it has responded appropriately and to the expected standard regarding the customer's complaint. The company argues that it was entitled to issue reminders and report the customer's arrears to credit reference providers.

Findings

I find that the company has provided its services to the expected standard. Its records show that it did not receive the customer's forms and there is no evidence to support that these had been lost or remained unprocessed by the company as the customer suggests. The company has acted in accordance with its Charges Scheme and responded to the customer's complaint promptly and has given explanations, including as to how the customer could find out about further help. The arrears had already accrued before the customer complained, but I find that once the company had investigated and found that the available evidence did not support the customer's position, the company would reasonably have been expected to issue payment reminders and to report arrears for inclusion on the customer's credit file in accordance with its policy.

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Outcome

The company does not need to take further action.

ADJUDICATOR'S FINAL DECISION

Adjudication Reference: WAT X329

Date of Final Decision: 8 February 2023

Case Outline

The customer's complaint is that:

- The customer complains that she filled in forms sent to her on 19 August 2019 relating to participation in the company's WaterSure Scheme. She says that the company did not action these. She also disagrees that any reminder was sent. She says that as the company did not take action on the forms she sent, she was withdrawn from the WaterSure Scheme without her realising this.
- This meant that the customer was billed at a higher rate than expected and on 17 January 2021, she emailed the company querying why she had been taken off the WaterSure account.
- She then also wrote to the company on 28 August 2022, explaining that she believed that her bill was incorrect and that she had completed and sent the relevant forms.
- The customer complains that the company did not take her complaint seriously and instead of referring her concern to the complaints department to be resolved, she was told on 7 September 2022 that her payments should be £11.95 per week with £3.95 towards arrears and if she did not pay this, the customer's position would be reported to credit agencies for late payments. The customer has expressed that she was told what to pay without any knowledge of her financial circumstances/difficulties and that this has now impacted her credit score. The customer believes that recovery action should have been put on hold until her complaint was resolved.

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- The customer says that because of all the time and stress it has taken her to complain and to try and resolve the issue with the disputed bill, she does not believe that the company should have sent repeated reminders about a disputed bill. The customer now has a damaged credit score.
- The customer would like her bills to be altered to reflect her liability had the company actioned the forms sent.
- The customer would also wish to receive an apology.

The company's response is that:

- WaterSure is a scheme that every water company in England and Wales must offer under The Water Industry (Charges) (Vulnerable Groups) (Consolidated) Regulations 2015 ("the Regulations"). The Scheme caps metered bills for customers who need to use more water for family or medical reasons. An application for assistance under the Regulations must be made by consumers and information provided to the relevant water company to establish the consumer's entitlement to assistance.
- The Scheme is administered by the company in accordance with the Regulations and the details explained in its Charges Scheme. The company reviews WaterSure each year and eligible customers are invited to renew the scheme, if they feel they still qualify.
- On 12 August 2019, the company wrote to the customer offering the opportunity to renew participation in the Scheme. The company did not hear back, so wrote to the customer again on 9 September 2019. The company reviewed the customer's account again on 23 September 2019. As the WaterSure renewal forms had not been returned, a text was sent to the customer asking her to return the form within 10 working days as the tariff had expired. The company reviewed the account again on 7 October 2019. As the forms had not been returned, the customer was taken off the tariff and the company's normal metered charges were applied in accordance with its Charges Scheme.
- The company received a new WaterSure application from the customer on 15 January 2021. The application was successful, and the customer has been since been billed on the WaterSure tariff.
- The customer sent several complaints to the company between August 2022 and October 2022 about the administration of the WaterSure scheme requesting that the period between 2019 – 2021 should also be charged on the tariff. The company explained that WaterSure

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would not be backdated as it had not received the renewal forms to keep the customer on the scheme.

- The customer was given 57 days in total between August and October 2019 to contact the company to renew her WaterSure application and this a reasonable amount of time in which to respond. **XX** provides contact details on its bills, letters and website showing customers how they can get in touch, however the company did not hear from the Customer until 15 January 2021.
- The company disagrees that it failed to take the Customer's complaint seriously. It replies to complaints about bills within 7 working days. It received the customer's initial complaint on 26 August 2022 and replied on 7 September 2022 – a period of 7 working days, allowing for the bank holiday.
- Although the customer is unhappy that reminders continued to be sent when the account remained in dispute, this was because the customer had not made sufficient payments to cover her charges for water and sewerage services. The payments made by the customer of £5.00 per week total £260.00 a year. These payments were not sufficient to cover the charges applied under WaterSure tariff (currently £421.42 for 2022/23) or the normal metered charges. The company explains in its guide 'What happens if paying my bill is a problem?' that "We'll contact you no less than 14 days after the due date, giving you at least seven days to pay the outstanding amount", Contact from the company was consistent with the Guide.
- The company has drawn the customer's attention to the arrears, suggesting an arrangement with the aim of encouraging payment of the minimum required to cover the ongoing charges as well as reducing the arrears. The company also offered further help if the customer could provide details about her situation. The company considers this a reasonable and fair action to take to try and resolve the customer's debt.
- Late payments are shared against customer credit reports if they do not pay in accordance with their bills. The company has correctly shared late payments as the customer has not made sufficient payments to cover her bills.
- The company says that overall it has correctly administered the WaterSure scheme in accordance with its Charges Scheme and the Regulations. The onus to request assistance on the Scheme falls to the customer.

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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 have also taken into account in my Final Decision the comments made by the customer in response to my Preliminary Decision.

How was this decision reached?

1. I am mindful that adjudication is an evidence-based process and that, in order for a customer to succeed in a claim that the company has failed to meet expected standards, the evidence taken as a whole must support that position.
2. The company says that the customer applied to join its WaterSure Scheme in 2018, citing as the reason a health problem affecting her daughter and her receipt of certain benefits. The company has provided evidence that its Charges Scheme states:

(h) Customers may apply for WaterSure at any time during the year. Eligibility commences with the relevant billing period that the customer applies for the tariff and shall continue for a period of 12 months from when eligibility commences. There shall be no retrospective adjustment for previous periods. The following year's tariffs will be applied to the due proportion of the eligibility period of 12 months extending beyond 31 March into the following year.

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(i) An eligible customer is required to reapply to XX every twelve months for application of WaterSure. We shall send a reminder to customers to reapply when their eligibility ends. The customer is responsible for informing XX when he or she is no longer eligible for the tariff. Where the customer ceases to be eligible part way through the period of entitlement which would otherwise apply under paragraph (h) above, the period of entitlement shall end at the end of the billing period in which the customer ceases to be eligible for the WaterSure tariff.

3. I find that the company would reasonably be expected to operate the WaterSure Scheme in accordance with information provided to customers in its Charges Scheme, so that annual renewal of eligibility for the Scheme would reasonably be expected and backdating eligibility would not be permitted.
4. It is not challenged that the company sent the customer forms to complete in order to renew her participation in the Scheme and it therefore complied with the commitment set out above to send a reminder to the customer to renew. The customer says that she completed these and sent them back to the company in good time.
5. In correspondence, the customer also has referred to difficulties in obtaining doctors' appointments during the pandemic but said that she was nonetheless in a position to put forward supporting evidence at that time.
6. There is, however, no supporting evidence for this. No copy of the forms is available, there is no certificate of posting or supporting email and the customer has not, indeed, stated how the forms were sent back to the company or the date on which this happened. Even if the forms were posted, however, it does not follow that these were received by the company. I am mindful that if, for whatever reason, these went astray in the post, the company would not have been responsible for this. The customer says:

I sent back the completed forms in good time, but they were either lost or not processed by their staff possibly due to a backlog or lockdown/staff working from home or any other reason that could account for this error on their part. I had applied before and since so I think it is reasonable to think it is highly likely that I sent in the forms as requested.

7. There is, however, no evidence that the forms were lost by the company or not processed, because there is no evidence that these were received by the company at that point. The

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customer has commented in response to my Proposed Decision that I have “believed” the company without evidence that the forms have not been received but have not believed that these were sent. This does not reflect the position, however. There is no evidence that the forms were posted but even if they were, the absence of evidence that these were received means that there is no evidence to support the customer’s submission that the company has failed to act on them. I find that an average customer would not reasonably expect a company to react and respond to documentation that it has not received.

8. There is, however, some supporting evidence that the customer’s forms were not received. The company’s internal records state that following receipt of no forms the eligibility review was conducted as follows:

*12/08/19 - WaterSure review 1802 - 1901 better off on WaterSure tariff **XX** sent 09/09/19 - WaterSure - Per WR - WaterSure Medical Renewal Forms have not been returned by customer - Medical Chase Up Letter (**XX**) sent to customer and pended WR for 10 further days to allow customer time for response.*

*23/09/19 - WaterSure - Per WR - WaterSure Medical Renewal Forms not returned by customer - SMS message to customer mobile number on record [**XX**] - Pended for 10 further days - if no response customer will be withdrawn from WaterSure. (**XX**: We have not received your proof for your WaterSure Renewal. Please return within 10 working days or email to **XX**.co.uk - The tariff has expired. Kind regards)*

07/10/19 - WaterSure - Per WR- WaterSure Medical Renewal Forms not returned by customer - Future bills will now be based on customer's usage. If customer wishes to re-apply for WaterSure please send new application pack

9. The company has explained that the review code **XX** relates to the Second Quarter 2018/19 to First Quarter 2019/20, that **XX** relates to the WaterSure Medical Renewal Letter and WR relates to Internal Worktype. I find that these records show that the company was expressing internal concern that the customer had not completed the renewal process and had sent reminders. The customer says that no text message was ever received from the company, but again, in contrast with the company’s written record that a message was sent, the customer has not submitted evidence from her phone from those dates to show that no text was received. While this may be understandable and I take into account that she cannot prove a negative, I nonetheless find that the available evidence supports the company’s position.

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10. The company says that it then received a new application from the customer in February 2021 which it processed, and the customer then became eligible from January 2021 for this tariff. The company has stated in correspondence on several occasions that a new application was made, and the customer does not appear to challenge this. The customer has provided a copy of an email to the company querying the position in 2021 and saying that she is not sure why she was no longer on the WaterSure account, but there does not seem to have been any complaint at that point that the forms had been sent previously but not been processed. The documentation indicates that no complaint was made until August 2022 when the customer was contacted about an arrears position that had occurred because of the period when the customer was not eligible for WaterSure.

11. The customer says that her complaint to the company was not taken seriously. I do not find that to be the case, although I accept that the company has not been prepared to backdate her eligibility for WaterSure. Having reviewed the correspondence passing between the company and the customer regarding her complaint, I find that the company:

- a. Responded within the expected timescale at Stage 1 of its complaints process on 7 September 2022 and in response to the Resolver complaint at Stage 2 of its process on 28 September 2022;
- b. Explained in its responses why arrears of £856.07 (as at 7 September 2022) had built up. This referred to the correspondence that the company had sent the customer. It also explained that the customer's payment plan had been altered to £11.95 per week to discharge the arrears and indicated the proportion of the amount that was allocated to current water use and that allocated to arrears;
- c. Explained that if the customer was in difficulty in making payments, she might be able to obtain further assistance. In the Stage 1 response the customer was referred to the link <https://www.XX> and in the Stage 2 response the customer was also referred to the XX Community Trust, Stepchange or the Citizens' Advice Bureau. Contact details were also given;
- d. Explained that it felt unable to comply with the customer's request to backdate the WaterSure renewal. Notably, this explanation is consistent with the information provided

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to customers in the company's Charges Scheme and it also pointed out to the customer that the Scheme was being run in accordance with Government requirements;

- e. Warned the customer that as the new arrangement was an arrears-based arrangement, her payments would show as late or missed on the customer's credit report until the arrears are cleared. The customer was offered an option of a different plan by ringing a designated individual within the company whose telephone number was supplied;
- f. Directed the customer to the Consumer Council for Water (CCWater); and
- g. Provided further explanations to CCWater.

12. The company says that it is also continued to provide information to the customer by way of bills, so that the customer would and could have seen during the period from October 2019 to August 2022 that her indebtedness to the company was rising.

13. The customer has also complained that the company has continued to make claims for payment even though she has raised a dispute. She has also referred in her correspondence with the company to guidance provided by the Financial Conduct Authority in respect of consumer credit disputes (which is not directly relevant but nonetheless is a useful comparator). I am mindful that a company would sometimes reasonably be expected not to pursue customers in respect of disputed debts, particularly where the dispute is strongly arguable. The mere existence of a dispute, however, would not reasonably be expected to defer claims for payment once it has addressed the customer's concerns. I find that if the company has investigated and considered the customer's dispute and decided for valid reasons that it was unable to agree with the customer's position, the company may take action, including enforcement and recovery action, in order to obtain payment. This finding chimes with the guidance by the Financial Conduct Authority referred to by the customer.

14. I find that this is what has happened here. The customer raised her complaint only after a large bill had accrued. The company looked back at its records, concluded that no renewal forms had been received and the customer had been warned about this and given approximately two months to provide the requisite information, it checked that its position was consistent with the Charges Scheme and the relevant Regulations and explained the outcome to the customer as set out above. The company has also explained that its policies require reporting of late

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payments to credit reference agencies, and I am mindful also that this is permitted by Ofwat and is consistent with industry practice. I find therefore that an average customer would not reasonably expect the company to omit to take the action that it would take in respect of any customer affected by an unpaid balance on her account.

15. Having regard to the matters set out above, while I am mindful that the circumstances in which the customer believes that she has supplied information to the company, but the company has evidence consistent with that information having been unreceived, has caused distress and may also have caused hardship, it does not follow that the company has failed to meet expected standards.

16. I find that the company has supplied its services to the standard that would reasonably be expected by an average customer. The company does not therefore need to take further action.

Outcome

The company does not need to take 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.

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Claire Andrews

Claire Andrews, Barrister, FCI Arb.

Adjudicator

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