

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0687

Date of Decision: 13 March 2018

Complaint

The customer submits that he did not receive a bill payment reminder for his 1 October 2017 bill until after the bill was due. The company reported the late payment to Credit Reference Agencies, and this has affected his credit score. The company also described the arrears as "Serious" on his credit file. The company informed him that the late payment mark has now been removed from his credit file, and it would no longer influence his credit score. However, since receiving his January 2018 report, it is still showing.

Defence

The company states that a bill was issued to the customer on 17 February 2017 and a reminder was issued to the customer on 15 September 2017. As the payment was not received, a reminder notice was issued on 31 October 2017. Payment was received on 21 November 2017. The notification to the Credit Reference Agencies was correct as the payment was late. The terminology used by Credit Reference Agencies to describe the late payment is out of its control. It has never advised the customer that the mark has or will be removed. A credit of £25.00 has been applied to the customer's account for a service failure which took place on 27 November 2017. It does not believe that any further errors have been made. No offer of settlement was made.

Findings

The company correctly notified the customer when his payment was due, gave the customer sufficient notice to make payment and was entitled to report activity on the customer's account to Credit Reference Agencies. The customer has not shown that the company placed the term "Serious Arrears" on his credit file; that the placement of any such term was a failing on the company's part; and that company provided incorrect information to his queries about the term. However, I am satisfied that the company failed to provide its services to the standard to be reasonably expected in its letter of 16 January 2018.

Outcome

The company needs to take the following further action:

I direct that the company pay the customer £25.00 compensation.

The customer must reply by 12 April 2018 to accept or reject this decision.

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ADJUDICATOR'S DECISION

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Party Details

Customer _____

Company: _____

Case Outline

The customer's complaint is that:

- He has paid his water bill in two "upfront" payments, in April and October for 20 years. Payment had been set to be made by standing order in April. He went abroad on 31 October 2017 and returned on 10 November 2017. On his return, he saw a bill payment reminder. He contacted the company as the two payments should have been sent together. The company confirmed that it had not received payment. He asked the company how the payment in April had been made. The company informed him that it would find out and let him know. It was implicit in the conversation that the company recognised there was no intent not to pay. The company contacted him a few days later and confirmed that the April payment had been made manually from a different account. He checked this and then made payment directly.
- As he was paying the bill, he received an emailed credit report from the "money offenders register" (Clearscore), showing "SERIOUS ARREARS", and a 25% drop in his credit score. The company had reported his account to Equifax.
- The company stated that the term "SERIOUS ARREARS" had been inserted by Clearscore, and he should contact Clearscore. He contacted both Clearscore and Equifax which took some considerable time, but he subsequently found out the term had come from the company. The company then finally admitted it but refused to amend the record.
- The company had initially offered £25.00 for poor customer service but this was not good enough, he would like the mark removed. The company informed him that the mark has now

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been removed, and it would no longer influence his credit score. However, since receiving his January 2018 report, it clearly still does.

- The customer requests that the company: “Amend the credit record, with apologies to Equifax and myself at the least” and pay compensation in the sum of £50.00 for time, stress, “the potential costs of the inappropriately "Serious" report of arrears to a third party company,” and for poor customer service.

The company’s response is that:

- The customer is charged in advance for water only. Bills are issued in February/March each year. Payments are due in two half yearly instalments on 1 April and 1 October. The bill for 2017/2018 was issued on 17 February 2017. The charge for the year was £122.62. The first half yearly payment of £61.31 was received on 4 April 2017 but the second instalment was not paid.
- A prompt was issued to the customer on 15 September 2017 to remind the customer that the second instalment would become due on 1 October 2017. As the payment was not received, a reminder notice was issued on 31 October 2017.
- The customer contacted it on 11 November 2017 and was advised that the balance remained unpaid. The customer confirmed that he would check his accounts and make payment by bank transfer if he could not find the payment. The customer made contact again on 15 November 2017 stating that he could not find record of the payment and asking how payment had been made in April. It provided details of how the April payment had been made. The customer confirmed that he was going to pay. On 21 November 2017, the payment remained outstanding so a telemesssage was issued. It received payment from the customer on 21 November 2017.
- The customer’s credit file was affected as a result of the late payment. The notification to the Credit Reference Agencies was correct as the payment was late.
- The customer has mentioned that Clear Score has described the late payment as “Serious Arrears”. The terminology used by Credit Reference Agencies is out of its control.
- It has never advised the customer that the mark has or will be removed.
- A credit of £25.00 has been applied to the customer’s account for a service failure on 27 November 2017 as there was no manager available in the credit management department to escalate his call to. It does not believe that any further errors have been made.

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.

If the evidence provided by the parties does not prove both of these issues, the company will not be directed to do anything.

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. I must remind the parties that under s.5.4.3 of the WATRS Rules, comments may only be on points raised in the company's response and must not introduce any new matters or any new evidence. Any such new matters or new evidence must be disregarded by the adjudicator.
2. I acknowledge the customer's submissions about ClearScore and Equifax. However, for the purposes of this decision my remit is to determine the issues between the customer and the company. Any complaints against and/or requests for redress in relation to ClearScore and Equifax cannot be considered.
3. I must also remind the parties that adjudication is an evidence-based process where the burden of proof rests on the claimant, in this case the customer, to prove his/her case on the balance of probabilities.
4. Submissions made without supporting evidence are unlikely to be accepted as confirmed.
5. The customer has made a number of submissions about the parties' communications. However, the customer has not provided full and substantive evidence of these communications such as copies of correspondence, the dates and times of calls and contemporaneous notes of calls. The company has submitted copies of correspondence and contemporaneous account notes in evidence. I am therefore only able to accept the customer's submissions where these also correspond to the information on the documents submitted in evidence by the company.

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Late Payment Marker

6. It is not in dispute that the company applied a late marker on the customer's credit file in November 2017 when the account was one month overdue.
7. The company has submitted in evidence the customer's annual bill issued on 17 February 2017 which shows that the second instalment payment was due on 1 October 2017. A copy of the payment prompt issued by the company on 15 September 2017 has also been submitted in evidence. I note the customer's submission that he did not receive this letter. However, I also note the company's submissions that no post for the customer has been returned as undelivered and that the letter was a reminder of information already given.
8. A copy of the 31 October 2017 reminder notice has also been submitted in evidence. I note the customer's submission that he was away and did not receive this notice until his return on 10 November 2017. The evidence confirms the company's submissions about the chain of events following the customer's receipt of the 31 October 2017 reminder notice. The account notes show that the customer then contacted the company on 11 November 2017. There is no evidence to show that during this call the company informed the customer that it would find out how payment in April had been made and let him know, and then called the customer back with the information a few days later. The account notes instead show that during the call the customer stated that he would check his accounts and make payment if he could not find the payment; and that the customer then contacted the company back on 15 November 2017 to inform it that he could not find the payment. I find that during this call the company acted promptly, providing details of how the April payment had been made. The account notes also confirm that the customer stated that he would make payment. However, payment was not received until 21 November 2017.
9. I also note that the customer's 17 February 2017 annual bill confirms the company's submission that the customer was advised that it would be sharing information about his account with credit reference agencies including information about payments and outstanding debt, and that this could result in his credit file being negatively impacted.

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10. No evidence has been submitted to support the customer's submission that the company informed him that the mark has or will be removed.

11. Having carefully considered the parties' submissions and all of the evidence submitted to support these submissions, I accept the company's submissions that it correctly notified the customer when his payment was due, gave the customer sufficient notice to make payment and was entitled to report activity on the customer's account to Credit Reference Agencies. The customer has not shown that the company failed to provide its services to the standard to be reasonably expected by the average person in this regard.

“SERIOUS ARREARS” description on the customer's credit file

12. The customer states that the one month arrears have been described as “SERIOUS ARREARS” on his credit file.

13. No evidence has been submitted to show this description on the customer's credit file. Nor is there any evidence to support the customer's submission that the description was placed by the company, and that although it initially denied this it has now admitted it. The evidence shows that the company refutes the customer's submissions both in correspondence prior to bring the matter to WATRS and in its Defence to WATRS.

14. In the absence of any substantive evidence showing otherwise, the customer has not shown that the company placed this term on his credit record; that the placement of any such term was a failing on the company's part; or that the company provided incorrect information to his queries about the term. The customer has not shown that the company failed to provide its services to the standard to be reasonably expected by the average person in this regard.

Customer service

15. The customer states that the company provided a poor level of customer service.

16. The company admits a service failure on 27 November 2017 as there was no manager available in the credit management department to escalate the customer's call to. The company states that a credit of £25.00 was applied to the customer's account for this error. The company's Defence also shows that during the complaints process, incorrect information was given to the

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customer in its 16 January 2018 Stage 2 letter about the date on which a call was made. I therefore find that the company failed to provide its services to the standard to be reasonably expected in this regard.

17. However, other than the above, I have found no other failings on the company's part in relation to the level of customer service provided.

Redress

18. In respect of the customer's request that the company "amend the credit record, with apologies to Equifax and myself at the least", as discussed above, the customer has not shown that the company failed to provide its services to the standard to be reasonably expected in relation to the late payment marker on his credit file, and is obliged to apologise to him or Equifax. This aspect of the customer's claim is therefore unable to succeed.

19. In respect of the customer's request for compensation, there is no evidence to show that the company was responsible for and/or breached its obligations to the customer in relation to the description of "Serious Arrears" on his credit file. This aspect of the customer's claim is therefore also unable to succeed.

20. However, in light of my finding above, that the company provided a poor level of customer service in its letter of 16 January 2018 I am satisfied that the customer is entitled to a measure of compensation for the stress and inconvenience suffered. However, I find that the amount claimed is disproportionate to the breach shown. No evidence has been submitted to show that this error made a significant impact on the customer. Having carefully considered the matter, I consider the sum of £25.00 to be fair and reasonable level of compensation in the circumstances. No evidence has been submitted to support a larger sum. I therefore direct that the company pay the customer £25.00 compensation.

Outcome

The company needs to take the following further action:

I direct that the company pay the customer £25.00 compensation.

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What happens next?

- This adjudication decision is final and cannot be appealed or amended.
 - The customer must reply by 12 April 2018 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.
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Uju Obi LLB (Hons) MCI Arb
Adjudicator

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