

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0697

Date of Decision: 20 August 2018

#### Complaint

The customer states that his account fell into arrears in August 2015. The company placed a negative mark against his credit file in 2015, despite agreeing a repayment plan. The customer seeks removal of the negative mark from 2015.

#### Defence

The customer failed to pay his 17 August 2015 bill by the 1 September 2015 due date. The company sent two payment reminders, explaining the consequences of non-payment. The customer did not contact the company until 48 days after the due date to make a repayment plan. The company was therefore entitled to register a negative mark on the customer's credit file in September 2015. It has complied with its procedure and the customer is not entitled to removal of the negative marker

#### Findings

The company has acted in accordance with its legal obligations and OFWAT regulatory expectations. It has provided the requisite notice and information regarding the customer's payment obligations. The customer did not pay his bill on time, nor arrange repayment within the time period specified by the company. As such, the customer is not entitled to removal of the September 2015 negative marker.

#### Outcome

The company does not need to take any further action.

The customer must reply by 17 September 2018 to accept or reject this decision.

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# ADJUDICATOR'S DECISION

Adjudication Reference: WAT/ /0697

Date of Decision: 20 August 2018

## Party Details

Customer: [ ]

Company: [ ].

## Case Outline

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

- The company should not have placed the negative mark against his credit file in 2015.
- This mark relates to the company's 17 August 2015 bill of £219.58, which the customer accepts that he did not pay by the required due date of 1 September 2015.
- On 19 October 2015, the customer contacted the company and entered into a repayment plan to settle the outstanding bill. The first payment was made on 9 November 2015.
- The customer has recently discovered that the company placed a negative mark against his credit file in September 2015, despite the fact that it had agreed a repayment plan.
- The company also placed a negative mark against the customer's credit file in December 2017, in relation to a previous account, when he moved address and it failed to place the customer's forwarding address on its system.
- The company has agreed to remove the 2017 negative mark on 10 January 2018 but refused to remove the 2015 negative marker.
- The customer requests the company:
  - i. Removes the September 2015 negative mark from his credit file.

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

- The customer was sent his initial bill of £219.58 on 17 August 2015 and he was asked to pay in full by 1 September 2015. The customer failed to make payment.

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- The company sent payment reminders on 22 September 2015 and 9 October 2015. These notices contained details of it sharing information with “credit referencing agencies” and the further action it could take.
- The 9 October 2015 reminder advised the customer that if it did not hear from him within seven days it could share information with credit referencing agencies. The customer did not respond within seven days.
- The customer did not contact the company until 19 October 2015, when the payment of £219.58 was 48 days overdue. The customer entered into a re-payment plan and the first payment was received on 9 November 2015.
- In line with its debt recovery procedures, it notified the credit reference agency of the late payment and a negative mark was added to the customer’s credit file.
- The company is unwilling to remove the 2015 negative marker, as there have been “no failures of service”. The customer does not dispute receiving the bill and payment reminders. The company is satisfied that the mark should remain on the customer’s credit file.

### 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.

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## How was this decision reached?

1. The customer disputes the negative mark placed on his credit file in September 2015. The company has explained that this was entered as a result of “late payment” in respect of the 17 August 2015 bill and the customer failure to make a repayment arrangement until 19 October 2015.
2. I find that the evidence shows that the customer received appropriate notice of the outstanding bill and the consequences if he did not meet his payment obligations. The company has submitted a copy of the bill, which covers charges for water and wastewater services between 8 August 2015 and 31 March 2016 of £219.58. The bill is clear that payment must be made by 1 September 2015. It provides details of methods of payment, advice if the customer is “struggling to pay” and it specifies that it “shares” information with “credit referencing agencies” and refers the customer to its website.
3. The customer does not dispute receiving the bill. When payment was not received, the company sent two payment reminders dated 22 September 2015 and 9 October 2015. Both letters urge the customer to pay the outstanding amount, refer to notifying credit -referencing agencies and advise the customer to contact the company to discuss options. Again, the customer has not disputed receipt of the correctly addressed payment reminders.
4. I find that the company has therefore met the regulatory expectations set by OFWAT “when dealing with customers in debt” (1 September 2015). Principle 1 specifies that companies should be proactive in attempting to contact the customers who fall into debt. I am satisfied that the company has evidenced that it has complied with this principle by sending payment reminders.
5. The company also permitted the customer to enter into payment plan thereby meeting the needs of the customer in accordance with Principle 2 of the guidance. The company has included a copy of the payment plan agreed on 19 October 2015 arranging repayment over six months, thereby meeting the customer’s needs.
6. The company has also complied with Principle 3 requiring the company to use plain language clearly setting out the action it will take in relation to non-payment, as illustrated by the bill and payment reminders.

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7. The company maintains that it was entitled to register the late payment negative marker against the customer's credit file in September 2015, as the customer did not make contact until 48 days after the due date and the first payment was not received until 9 November 2017.
8. I have not been provided with a copy of the customer's credit file. From the submissions of the parties I am satisfied that the customer was in breach of his payment obligations. He did not pay his bill by the due date of 1 September 2015, resulting in late payment, and also did not contact the company within the time limit specified in the payment reminder of the 9 October 2015. In these circumstances, I find that the company has complied with its procedures and was entitled to enter a negative marker on the customer's credit file for September 2015.
9. Consequently, I find that the customer is not entitled to removal of the September 2015 negative marker.

#### **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 17 September 2018 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.

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*D. M. Curnow*

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**D.M. Curnow BA (Hons), LL.M, LPC, Solicitor (non-practising).**

**Adjudicator**

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