

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /0730

Date of Decision: 4 June 2018

Complaint

The customer, who manages residential tenanted properties, complains that the company has wrongly reported to a credit reference agency that she has made late payments in respect of three of her managed accounts. She also says that she did not receive the bills. The company has removed late payment markers regarding other managed accounts because it acknowledged a mistake had been made and she seeks a direction that the company should also remove the adverse markers regarding the three accounts in question.

Defence

The customer made late payments in respect of the three accounts. The bills were sent to the correct addresses. The company, which indicates to customers in bills and on its website that it shares information with credit reference agencies, was entitled to report the late payments to Equifax. Although it had been prepared as a goodwill gesture to remove markers relating to accounts where the customer paid within 30 days of the due date, this did not apply to the three accounts in question.

Findings

The payments were paid late. In bills and its website, the company stated that it would share information with credit reference agencies. It would therefore reasonably be expected to do as it stated. The company had, however, in an email of 17 October 2017 inaccurately told the customer that it had made "a mistake" in relation to the other accounts. It had not made a mistake. In stating that a mistake was made, the company gave rise to a misunderstanding and, in this way only, it failed to supply its services to the standard that would reasonably be expected of it.

Outcome

The company needs to take the following further action, namely to apologise to the customer in writing for inaccurate information given to the customer in its email of 17 October 2017.

The customer must reply by 2 July 2018 to accept or reject this decision. If the customer accepts this decision, the company will have to do what I have directed. If the customer rejects this decision, or does not respond, the company will not have to do what I have directed.

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ADJUDICATOR'S DECISION

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Date of Decision: 4 June 2018

Party Details

Customer: []

Company: []

Case Outline

The customer's complaint is that:

- The customer manages a number of houses in multiple occupancy and other let properties.
- She is concerned in particular about three accounts:
 - 83[];
 - 70[]; and
 - 91 [].
- She contends that in relation to a number of accounts the company reported late payments to the credit reference agency, Equifax. In relation to all but the three identified above, the company has accepted that there were "legitimate reasons" for removing the negative markers on the accounts and it has done so, but in relation to the three accounts specified, the company has refused.
- The customer seeks removal of the late payment markers in respect of the above three accounts.

The company's response is that:

- The company's position is that it would not be correct to remove the markers because the accounts in question were paid late.
- Customers have been warned on the reverse of all bills and reminders since September 2014 that the company shared data with credit reference agencies and were provided with details of where to find additional information on the company's website.

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- Information supplied to credit reference agencies concerns both positive and negative features, so that a strong payment record also enables the building of a good credit rating.
- The company has reviewed its decision-making, and explained in an email to the Consumer Council for Water (CCWater) dated 16 February 2018 why goodwill gestures were made to the customer regarding some of her accounts but not the three accounts in question.

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.

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. The customer and the company refer to the matters set out in the documents submitted by the Consumer Council for Water (CCWater). The documents show that the customer raised a complaint about the company's actions in referring a number of properties to credit reference agencies. She contends that as, in respect of some of these, the company agreed to remove the credit marker and conceded that a mistake was made, this should apply to all of the accounts. The customer argues that:
 - a. The bills in question were not sent to the correct address or were not received;
 - b. She has in the following year paid her bills earlier and has agreed to set up a direct debit arrangement; and

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- c. The fact that a mistake in relation to those other accounts has been made suggests that the marker should be removed in respect of all the accounts.
2. The company states that bills were sent on each occasion to the correct address.
3. In relation to the markers which have been removed, the company stated in an email of 17 October 2017 that:

After further investigation we confirmed some of the marks reported to the CRA have been reported incorrectly, and I'm really sorry for this. I can confirm these have now been removed from your credit file. However, the remaining marks below are correct and will not be removed.
4. In an email to CCWater dated 18 February 2018, the company elaborated its explanation. The company stated that having reviewed the accounts, it had been prepared to remove some of the markers where payment had been made within 30 days after the date by which payment was due as a matter of goodwill. It argued that it was not bound to make a goodwill concession and the fact that it had done so on the other occasions did not bind it to do so in respect of the three accounts in question. It contended that in respect of the three accounts, these were not paid within 30 days of the due date. This was also the position taken by the company in its statement of defence to the customer's WATRS application.
5. I find that these two explanations cannot both be correct. If the second explanation is accurate, the company did not make "a mistake" in relation to the other accounts. I find that it is likely that the second explanation is the correct one: there is no evidence that the customer paid other accounts on time and no evidence, either, that the late payments exceeded 30 days. It follows that there was no "mistake" but the late payments had not involved so substantial a period as the three disputed accounts. While I note that the company may have been willing to concede that there had been a mistake in order to justify a change to the credit reference, an explanation which asserts "a mistake" by the company where none has been made will inevitably lead a customer to misunderstand the true position. I find that it is more probable than not that this is what has happened here, because the customer has struggled to understand why a concession was made in respect of some accounts but not the balance. I find that an average customer would not expect a company to agree that it has made a mistake in respect of a credit reference agency where none has been made and I find that the company has supplied the customer with poor customer services in this respect.

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6. However, I also find that the mere fact that the company was prepared to make a concession on a goodwill basis in respect of a payment no later than 30 days after the due date, does not lead to a reasonable expectation that the company would apply that approach to payments made later. I find that this is a clearly comprehensible reason for distinction between those situations where a goodwill gesture has been made and those where it has not. The correspondence indicates that this has been explained to the customer and I find that the making of this distinction would not appear to the average customer to fall short of the way in which the company's services were supplied.

7. I now turn to the accounts in question.

Account reference 83[_____]

8. The customer contends that the bill was sent to the address of the property to which services were supplied by the company rather than to her office address. She says that this property had been empty since January 2017 and that this had led to delays in payment. The company contends that the bill was sent to the customer's office address and she was given a reasonable period for payment. It had not been notified that the property was unoccupied.

9. The documents submitted by CCWater include a copy of the bill in question. Having examined this bill, I find that it was for £355.86 relating to the period 1 April 2017 to 31 March 2018. It was based on the Rateable Value (RV) of the property and it is not suggested by the customer that this method of calculation was incorrect. The bill does not bear an issue date, but the company says that it was sent on 9 February 2017. The company supports this contention by reference to a screen print for the account which it has submitted in evidence and I find that it is probable therefore that the bill was sent on the date stated. The company states that the bill was sent to the customer's business address of [_____]. This is the address shown on the bill as that of the account holder and I therefore consider that it is likely that the bill was sent to this address. Reminders were sent on 25 April; 23 May and, 21 June 2017 and the letters in question show that these were also sent to [_____].

10. The bill explains clearly on its face that it was payable in full by 1 April 2017. The company draws attention to its published Charges Scheme, page 16, Section 11(2) which indicates that unless there is an agreed payment plan in force at the time of the annual bill being produced, a bill is due in full on or before 1 April each year. There is no evidence that there

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was a payment plan registered on the account and so I accept the company's submission that this bill fell due in its entirety for payment on 1 April 2017. The first reminder made reference to the full amount and the second and third reminders made reference to the sum outstanding of £177.93. The company has submitted screen shots that show that the customer paid £177.93 on 2 May 2017 and a further £177.93 on 21 July 2017 and there is no evidence submitted by the customer which suggests that the company's records as to the payment dates are incorrect. It follows, therefore, that I find that the customer did not pay the bill within 30 days of the due date and did not discharge the full liability for nearly another 4 months.

11. The bill also states that the company shares information with credit reference agencies and refers the customer to the company's website. The company has explained to the customer that the information collected was passed on to Equifax on 12 April 2017.
12. I find, therefore, that the company has acted in relation to this account in accordance with the statements made on the bill, its website and the bill itself has been rendered in accordance with its Charges Scheme. The customer was given reasonable notice of when payment was required and told the relevant date. The bill also indicated data sharing with credit reference agencies. I find that in these circumstances, the customer has not proved that the company has supplied its services otherwise than would reasonably be expected by an average customer.

Account reference – 70[_____]

13. The customer says that she did not receive the bill in respect of this account although she contends that a bill was sent to her personally and complains that this was incorrect and the adverse credit marker entered by the company prevented her from obtaining a loan. This adverse marker against her personally has now been removed. The customer has not, however, set out any supporting evidence for this and as it does not form part of her request for redress, I reach no findings as to the credit report against the customer herself.
14. The bill, which can be found in the documents submitted by CCWater, is addressed to the customer in her own name. It makes clear that it relates to the property subject to the charge. The account holder's address is shown on the bill as [_____], and I find that it is likely that this is where the bill was sent. The company says that it was sent on 9 February 2017 and this is again shown in the screen shot of the company's internal records. As the customer

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has agreed that in February 2017 she received a bill addressed to her personally, I find that it is likely that this was the bill sent and therefore, whether addressed to her personally or to her trading name, I find that she was on notice as to the amount of the bill payable in relation to this property.

15. The bill for the sum of £351.09 is also based on the RV of the property and there is no evidence which suggests that it was incorrectly billed. The bill states that it was due in full on, or before, 1 April 2017. Reminders were sent to [] on 25 April and 24 May 2017. However, the company records show that a payment of £175.50 was not made towards the bill until 2 May 2017, and a further payment of £175.59 was made on 2 October 2017. I find therefore that payment of this bill was received late. As in relation to the previous account, the customer was informed of data sharing on the bill itself.
16. It follows from the above that I conclude that the company has acted in relation to this account in accordance with the statements made on the bill, its website and in its Charges Scheme. I find that the customer has not proved that the company has supplied its services in respect of this account otherwise than would reasonably be expected by an average customer.

Account reference 91[]

17. The dispute relates to a negative credit mark for a bill dated 11 May 2017 for £74.04. It concerns the period from 31 December 2016 to 9 May 2017 so that the payment was due for services already supplied. In relation to this account, the customer says that the property in question was unoccupied, awaiting building work. She submits that the bill was sent by the company to that address and therefore was not received or read by the customer.
18. The company argues that it had never been notified that the bill should be sent to any address other than that of the property and it had not been told that the property was empty. Moreover, it contends that there has been water use during the period in which the customer says that the property was unoccupied, which means that it is likely that the customer or some other person was attending the property and therefore would have been likely to have picked up the bill as well as the reminder sent on 27 June 2017.
19. In respect of the quantification of the bill, the company explains that the property was metered and as such, all bills were due for payment immediately, in full, unless there was an

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agreed 12 monthly payment plan. The company contends that no payment plan was agreed and there is no evidence to the contrary. I therefore find that the time for payment is reflected by clause 12 on page 17 of the company's Charges Scheme, although this is not stated on the bill. There is, however, a reference to data sharing with credit reference agencies.

20. The company's records support that payment of £74.04 was received on 3 July 2017. I find in respect of the above matters that:

- a. Unless the customer had notified the company that she required the company to send a bill other than to the address of the property, it would reasonably be expected that this was the appropriate address to which a bill should have been supplied. The company has sent the relevant bill to that address and I find that it did not fall short of reasonable service standards in so doing.
- b. The customer has made payment more than seven weeks after the date of the bill. As the bill related to services already supplied, an average customer would not reasonably expect there to be a credit period for payment of so long a period. While I find that the position would have been clearer if the bill had made reference to the required payment period, I find that failure to make payment in accordance with the company's Charges Scheme meant that the bill was paid late.

21. It follows that I find, on balance, that the company was entitled to refer this information to a credit reference agency and the customer has not shown that the company failed to meet the standards reasonably required of it.

Conclusion

22. It follows from the above that the customer has not shown that the company was in error in sharing with credit reference agencies that the customer had made late payments relating to the three accounts in question. I find that the customer has not shown that the information supplied should be corrected or withdrawn and it follows that I find that the customer is unable to succeed in respect of her claim for redress in this regard.

23. I have found in paragraph 5 above that the company has given the customer incorrect information as to whether it had made "a mistake", which probably led to a misunderstanding on the part of the customer, and that this fell short of the standard of service that would reasonably be expected of a water and sewerage company. I find that it is fair and

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reasonable to direct that the company shall formally apologise to the customer for the inaccurate information given to the customer in the company's email of 17 October 2017.

Outcome

The company needs to take the following further action, namely to apologise to the customer in writing for inaccurate information given to the customer in its email of 17 October 2017.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 2 July 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.



Claire Andrews, Barrister, FCI Arb

Adjudicator

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