

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1118

Date of Decision: 18 December 2018

Complaint

The customer submits that the company has updated his credit file with a late payment marker, but has not taken into consideration that the late payment was unavoidable in the customer's circumstances. It has also not considered the customer's previous record of good payment, and that the impact of the late payment marker is disproportionate.

Defence

The customer moved out of his old address and his account was closed and the direct debit cancelled. The customer contacted it to advise that he was responsible for water at his new address from 4 April 2018. Correspondence and a bill were sent to the customer's new address. No payment was received until after the customer's credit rating had been updated with a late payment marker. The company denies that the customer is entitled to the requested remedies.

Findings

The company properly closed the customer's account when the customer moved out, and cancelled the direct debit as there was no ongoing relationship. When the customer opened the account for his new property, he did not advise the company of a correspondence address or tell the company that he had not moved in yet. The company had properly billed the customer and the payment was made more than a month late. The credit reference agencies have been advised of the late payment correctly. The company must provide accurate records to credit reference agencies and cannot remove a negative record for moral reasons; there was no failure on the part of the company that would demonstrate that the customer had properly withheld payment.

Outcome

The company does not need to take any further action.

The customer must reply by 21 January 2019 to accept or reject this decision.

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ADJUDICATOR'S DECISION

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Date of Decision: 18 December 2018

Party Details

Customer: []

Company: [].

Case Outline

The customer's complaint is that:

- The customer states that he sold his house in July 2017 and moved into temporary rented accommodation where the water was paid for by the landlord. The customer was self-building a house. The customer contacted the company in early April 2018 to notify it of the new water connection at the self-build property. He did not move into the house until it was completed at the start of June 2018. The customer missed correspondence from the company, including the welcome letter. The first bill received was a final reminder for £41.77 dated 27 June 2018. The customer's account with the company had been open for several years with a direct debit and the customer therefore assumed that this bill was an error. A text message on 26 July 2018 raised the alarm and the customer paid the bill, logged into the account online, and found that the direct debit had been cancelled. The customer submits that the circumstances resulting from the self-build were unavoidable, and that the direct debit was cancelled without notice. In view of the customer's loyalty and unblemished payment history, he submits that it is 'unfair' to report a late payment to credit reference agencies. The company has overlooked or misjudged the severe impact of the late payment marker on the customer's credit rating and is a wholly disproportionate response to innocent and unavoidable circumstances. The company missed the text message on 26 July 2018 from its timeline of events, which provides important context to the customer's payment timing.
- The customer requests that the negative entry from his credit file is removed and that the company provide £100.00 in compensation for the inconvenience experienced.

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The company's response is that:

- The company states that the customer moved out of his former home on 7 July 2018. The company closed his account, cancelled the direct debit, and issued a final bill to the supply address on 4 July 2017, refunding a credit balance into the customer's bank account on 10 July 2017. The customer contacted it to advise that he would be responsible for water charges at his new home from 4 April 2018. The company opened the customer's account at his new address and sent a welcome letter. A meter reading was taken on 18 May 2018 and the bill was issued by post on 21 May 2018. No payment was received and two reminders were sent in June 2018. As part of the company's scheduled reporting to credit reference agencies on 24 July 2018, it reported an entry of '1' against July 2018 indicating that the customer was one month in arrears as no payment had been received. The customer did not move into the property until the beginning of June 2018 and states that he was unaware of the welcome letter and invoice. The company is entitled to update credit reference agencies with a customer's payment history. The customer did not advise that he was not living at the property when he set up the account. The customer's account for his old address was closed when the company was advised that the customer moved out and the relating direct debit was automatically cancelled. It is the company's standard practice to use an existing account number where possible, which is why the customer's new account has the same number. The company would not set up a new direct debit facility after it had been cancelled until it received a new instruction to do so. The company denies the customer's 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

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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.

How was this decision reached?

1. The customer had an account with the company at his previous address, 1 Green Lane. The customer moved out of this address and into rented accommodation whilst he completed a self-build property. He was not responsible for paying the water bill at the rented accommodation.
2. I note that the customer moved out on 7 July 2017 and was no longer liable for the water supply to 1 Green Lane. I note that the customer did not provide the company with any forwarding address, the final bill being sent to 1 Green Lane, and that the customer was not liable for the cost of water at his rented accommodation as this was paid for by the landlord. I therefore find that the company acted reasonably in closing the customer's account and cancelling the direct debit as it had no ongoing relationship with the customer.
3. The customer contacted the company to advise that a new water connection had been made to his self-build property, and that he was to be responsible for charges from 4 April 2018. I have been provided with the call note for this call. This states that the customer was moving in to 10 Red Street. There is no reference in this call note to suggest that the company was advised that the customer had not moved in or would not be moving into 10 Red Street for some months. The customer has not provided any evidence or submission that he advised the company that he was not living at the 10 Red Street address at that time.
4. I therefore find that the company acted reasonably by sending correspondence to the customer at 10 Red Street as it had no other correspondence address for the customer.
5. I also note that the company will reuse account numbers where previous customers require its services again. I acknowledge that this may appear to be a 'continuation' of the account, however, I remain satisfied that the company had properly closed the account when the customer moved out of 1 Green Lane as there was no ongoing relationship between the parties

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at that time. I am satisfied that, once the direct debit was properly cancelled as there was no ongoing relationship between the customer and the company, the company could not reinstate this without the express request and instruction of the customer. The company opened a new account for the customer in respect of 10 Red Street and, whilst the account number was reused, I am not persuaded that this can be considered the same account.

6. In view of this, I find that the company acted properly by sending all correspondence to the service address, including the bill dated 21 May 2018. I acknowledge that the customer did not receive this correspondence, however I have no evidence that the company was made aware that the customer was not living at the service address and that letters should be sent to his temporary accommodation.
7. After the customer moved in, he admits to ignoring a late payment notice in relation to the 21 May 2018 bill until a text message was received requesting payment. As above, I am satisfied that the company has acted properly in billing the customer at 10 Red Street. The customer did not make a payment of the 21 May 2018 bill until 28 July 2018.
8. The customer disputes the company applying a late payment marker to his credit file. I am mindful that the company is obliged to provide credit reference agencies with an accurate payment history for its customers. The company does not have the discretion to avoid applying a late payment marker for moral or ethical reasons or based on past payment history. Whilst I appreciate that the customer may not have paid his bills late before, I am satisfied from the facts of this case that the customer paid the May 2018 bill over a month late, and that the marker correctly reflects this.
9. I have also found no failure of the company to act in the manner expected of a reasonable water undertaker in respect of how it has billed the customer, nor have I found any error in the billing itself. There is therefore no failure on the part of the company that would indicate that the customer had properly withheld payment.
10. Whilst I acknowledge that the customer was unaware of the bill, I find that this was due to him not providing the company with a separate correspondence address. The company was not made aware that the customer was not living at 10 Red Street and therefore had no basis to believe that its correspondence was not being received.

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11. In view of this, I find that there is no basis for the customer's credit file to be updated to remove the late payment marker as it accurately reflects the customer's late payment.
12. In reviewing the company's complaints handling, I acknowledge that its timeline of events does not include the text message on 26 July 2018. However, I am not persuaded that this is a failure on the part of the company to provide the services to the standard expected as the date of this text message does not materially affect that the payment made by the customer was more than one month late. The absence of the text message from the timeline appears to be a simple oversight, but one that has no bearing on the validity of the credit reference entry, or the dates of the customer's payment, especially where the customer had already received a late payment reminder notice in writing.
13. For the reasons given above, I find no failure of the company to provide the services in the manner expected of a reasonable water undertaker. I therefore find no basis for the customer to be entitled to the requested remedies.

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 21 January 2019 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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A handwritten signature in black ink, consisting of a stylized, cursive 'A' followed by a long horizontal line that ends in a small flourish.

Alison Dablin, LL.M, MSc, MCI Arb

Adjudicator

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