

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1196

Date of Decision: 21 February 2019

#### Complaint

The customer submits that she contacted the company when she was in financial difficulties with her account. However, she was not verbally told that the payment plan may have a detrimental effect on her credit history. She believes that the arrangement had resulted in her being refused a mortgage. The customer states that if this had been brought to her attention she could have taken steps to pay off all of the arrears concerned in one payment rather than the extended plan. The customer requests that the company "adjust the credit file".

#### Defence

The company submits that it has notified all of its customers of its intention to share their data with Credit Reference Agencies (CRAs) since 2011 on the back of all bills, in annual billing leaflets and extensively on its website. It shares data with CRAs whether positive or negative and the majority of its customers benefit from positive credit data. It believes this information has been suitably displayed. As it advises customers on their bills that their payment behaviour will be shared, it would not routinely repeat this information verbally during telephone calls. The data it has shared has been accurate and correct, and it would not ask Equifax to remove it as a goodwill gesture. However, it has undertaken to review the content of its Privacy Statement and Q&A's including the information contained on its website to include the potential impact to credit scores of a reduced payment arrangement that varies from standard payment terms. It will also review its letters following the deployment of its new debt management system, which will be within this financial year 2019-2020. No offer of settlement was made.

#### Findings

The customer has not shown that the company failed to notify her that it shares her payment activity with CRAs. I can appreciate the difficulty of the situation for the customer and I acknowledge that the customer will be disappointed that I am not in a position to direct the redress requested. However, the company made the customer aware on her bills that it would be sharing her payment activity with CRAs prior to the period in which the customer went into arrears and prior to the customer entering into a payment agreement in 2015. The company was under no obligation to do more than it did to make the customer aware that her payment history would be shared with CRA.

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Outcome

The company does not need to take any further action.

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

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- The customer contacted it several times to change the amounts and frequency of her payments. There have been 28 extended payment plans prior to, and after it started to share data with Equifax in March 2014.
- From May 2015 to November 2015 it received no payments from the customer at all and the customer had not set up an active payment plan. The customer then agreed to a payment plan in November 2015, so between these dates, from May to November 2015, it shared incrementing payment status as the age of the debt progressed to over six months old.
- In November 2015, the customer agreed to a payment plan of £40.00 per month that was not enough to pay the arrears of £429.60 and current year charges (2016-2017) of £482.42 within the current billing period. This meant the status it then shared was an 'I', to reflect the reduced payments being made and to advise the CRA that a debt arrangement was now in place.
- In April 2016, the customer cancelled her Direct Debit instruction and the payment plan was also cancelled. Again, it shared with Equifax the age of the oldest debt, which was over six months old. The customer then called later in the month and re-set the payment plan to £50.00 per month, which was again not enough to clear the balance within the current billing period, and therefore it shared a status of 'I'.
- By March 2018 the arrears were cleared, and the status it shared was '0' to show that the customer was paying her current year charges by instalments and was up to date with her payments.
- The sharing of a status 'I' advises the CRAs and other lenders that a customer has entered into an agreement to clear the debt. The fact that a payment plan was now in place would show the customer's intention to repay the debt. The customer has been making regular payments, and it has also shared positive data.
- It followed its debt recovery process when the customer has fallen behind with payment of her bills, for example sending reminders when payments have been missed or paid later than the due date. It considers that it has been open and transparent with its customers about its intentions, and since 2011 all its bills have contained a statement confirming that payment history data will be shared with CRAs. It believes this information has been suitably displayed. As it advises customers on their bills that their payment behaviour will be shared, it would not routinely repeat this information verbally during telephone calls. It believes if it did, this could potentially put customers off applying for one of its affordability schemes, or they may get further into debt by borrowing monies that they cannot afford to repay.
- The data it has shared has been accurate and correct and it would not ask Equifax to remove it as a goodwill gesture. The Information Commissioner has previously advised that it is important

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that CRAs have accurate information and that, however well-intentioned, it is not appropriate to erase accurate data.

- It has undertaken to review the content of its Privacy Statement and Q&A's including the information contained on its website to include the potential impact to credit scores of a reduced payment arrangement that varies from standard payment terms. It will also review its letters following the deployment of its new debt management system, which will be within this financial year 2019-2020.

### 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.

### How was this decision reached?

1. I must remind the parties that adjudication is an evidence-based process.
2. 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.

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3. The company submits that the customer contacted it several times to change the amounts and frequency of her payments, and there have been 28 extended payment plans prior to and after it started to share data with Equifax in March 2014.
4. The parties' submissions and the evidence provided to this adjudication indicate that the customer's complaint concerns a conversation with the company to arrange a payment plan in November 2015.
5. I acknowledge the customer's submissions that she was not told verbally during the call that the payment plan would affect her credit history. However, the customer does not dispute that the company advised on its bills that it would be sharing payment history information about her account with CRAs prior to the period in which customer entered into a payment agreement with the company. The customer has not shown that the company failed to notify her that it shares her payment activity with CRAs.
6. The customer also does not dispute the company's submissions that she made no payments to her account from May 2015 to November 2015. The company has submitted evidence to support its submissions that from May to November 2015 it shared incrementing payment statuses as the age of the debt progressed. The customer then agreed to the payment plan in November 2015. The evidence also confirms the company's submissions that when the payment plan was agreed the customer's payment status was changed to reflect the reduced payments being made. In addition, when the outstanding balance was cleared in March 2018, the evidence shows that the customer's payment status was amended and now reflects that the customer has cleared the debt and is making regular monthly payments. I therefore accept the company's submissions that it has also shared positive data about the customer's account.
7. Having carefully considered the matter, I can appreciate the difficulty of the situation for the customer and I acknowledge that the customer will be disappointed that I am not in a position to direct the redress requested. However, I find that the company made the customer aware that it would be sharing her payment activity with CRAs prior to the period in which customer entered into a payment agreement with the company. The customer made no payments and/or partial payments, in the form of the agreed payment plans, after the payment due dates for a number of bills issued on her account. The customer has not shown that the company reported the activity on her account incorrectly and that it is under an obligation to amend the customer's credit file.

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The company was under no obligation to do more than it did to make the customer aware that her payment history would be shared with CRA. .

8. The customer has not shown that the company failed to provide its services to the customer to the standard to be reasonably expected. Consequently, the customer's claim does not succeed.

#### **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 March 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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**U Obi LLB (Hons) MCI Arb  
Adjudicator**

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