

# WATRS

## Water Redress Scheme

### ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1236

Date of Decision: 27 February 2019

#### Complaint

The customer submits that the dispute concerns a number of late markers and defaults on her credit file. She has made payments to the company on a regular basis so late markers and defaults should not be applied. She contacted the company on numerous occasions to discuss the account. However, she was never fully informed that defaults would be placed on her credit file. The company told her to set up a payment plan but she did not think it necessary as she was paying regularly to clear her bill. She also contacted the company to discuss her bill and was told that her account had been closed in error. Although the company had closed the account, it was still taking money for the account. The customer requests that the company "remove late markers" from her credit file.

#### Defence

The company submits that under its Charges Scheme and Code of Practice, metered bills are due for payment immediately upon receipt of the bill, unless there is a payment plan in place. The customer made ad-hoc payments that it did not agree to and that were insufficient to clear her bills. All of its bills contain payment plan information. All of its bills since 2015 have contained information about sharing of information with Credit Reference Agencies (CRAs). The negative credit marks and defaults added to the customer's credit file for overdue balances throughout 2016 and 2017 are correct. Its Debt Collection Agency (DCA) visited the customer's home on 28 April 2018 to try and obtain part of the outstanding balance. An individual provided a Tenancy Agreement showing that she had moved into the property on 2 October 2017. Once it received the information from the DCA, it closed the customer's account. It takes information from third parties in good faith. Payments were received via Standing Order on the closed account; it is unable to stop these payments as the customer has control of this. No offer of settlement was made.

#### Findings

It is not in dispute that the company advised on its bills, Final Demands and Legal Notices that it would be sharing payment history information about the customer's account with CRAs. The customer made payments after the payment due dates and/or insufficient payments to clear her bills. I acknowledge that the customer will be disappointed that I am not in a position to direct the redress requested. However, the customer has not shown that the company failed to provide its services to the standard to be reasonably expected by placing late payment markers and defaults from her credit file.

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However, in light of the evidence submitted by the customer, I find it fair and reasonable to direct that the company ensure that all late payment markers and defaults placed on the customer's credit file, for both the customer's new and old accounts, are accurate. I accept the company's submissions that it took information from a third party in good faith before closing the account. The customer has not submitted any evidence such as bank statements showing how she made payments. I therefore accept, on a balance of probabilities, the company's submissions that payments were received via Standing Order, which it had no control over.

#### Outcome

The company needs to take the following further action:

I direct that the company ensure that all late payment markers and defaults placed on the customer's credit file, for both the customer's new and old accounts, are accurate. Please note that compliance will be met once the company has checked and confirmed to the customer that the late payment markers and defaults are accurate.

The customer must reply by 27 March 2019 to accept or reject this decision.

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- From 30 July 2012 it regularly attempted to call and text the customer to ask that she set up a payment plan arrangement.
- All of its bills contain payment plan information. All of its bills since 2015 have contained information about sharing of information with Credit Reference Agencies (CRAs) and detailed where on its website further information can be found about this.
- In addition, on its Final Demands and Legal Notices, it has also given information about sharing information with CRAs and action it may take to refer outstanding balances to Debt Collection Agencies (DCAs) if balances remain unpaid.
- By 30 October 2017, when the latest bill was raised, the customer owed £493.36 and a DCA was instructed to obtain the overdue sums on its behalf. Whilst the customer did make some payments in 2017 to it directly, she had not agreed a payment plan and she was making ad-hoc payments of her choice.
- In accordance with its procedures, negative credit marks and defaults were added to the customer's credit file for overdue balances throughout 2016 and 2017 and these are entirely correct.
- As part of its DCA's actions, the DCA visited the customer's home on 28 April 2018 to try and obtain part of the outstanding balance. When the DCA knocked on the door, a person who they believed was a tenant provided a Tenancy Agreement showing that she had moved in to the property on 2 October 2017. Once it received the information from the DCA, it closed the customer's account and produced a closing bill for £25.87, which was sent to the property. A new account was opened in the name of the new occupier/the tenant in line with the Tenancy Agreement. It takes information from third parties in good faith. It cannot and does not verify all information it receives.
- Payments were received via Standing Order on the closed account. As the customer had been paying by Standing Order, it is unable to stop these payments as the customer has control of this.

### 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.

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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.

### ***Notification that Payment History would be shared with CRAs***

3. It is not in dispute that the company advised on its bills, Final Demands and Legal Notices that it would be sharing payment history information about the customer's account with CRAs. The company has also submitted excerpts from some of these documents as evidence to support its submissions.
4. The customer has not shown that the company failed to notify her that it shares her payment activity with CRAs, and that the company failed to provide its services to the customer to the standard to be reasonably expected in this regard.

### ***Late payment markers and defaults on the customer's credit file***

5. Under Section 143 of the Water Industry 1991 Act, the company is entitled to make a Charges Scheme that fixes the terms and charges for any services provided by the undertaker in the course of carrying out its functions.

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6. A company's Charges Scheme must be approved by OFWAT. There is no evidence to show that the company's Charges Schemes have not been approved by OFWAT or do not comply with OFWAT's Charging Rules.
7. The company's Charges Scheme 2017/2018 supports the company's submission that metered bills are due for payment immediately upon receipt of the bill, unless there is a payment plan in place. Customers may pay at a different frequency to that stated on the bill. However, this and the actual date payable must be agreed with the company. While the company has not submitted similar evidence for the full period I accept that it is more likely than not that the policy has been consistent since 2012.
8. The customer made payments after the payment due dates and/or insufficient payments to clear her bills. The customer acknowledges that the company told her to set up a payment plan but states that she did not think it necessary as she was paying regularly to clear her bill. However, as per the company's Charges Scheme, a payment plan had to be agreed by the company, a customer cannot implement their own payment plan.
9. I acknowledge that the customer will be disappointed that I am not in a position to direct the redress requested. However, in view of the above, the customer has not shown that the company failed to provide its services to the customer to the standard to be reasonably expected by placing late payment markers and defaults from her credit file.
10. Notwithstanding the above, I note that in the customer's Comments on the Defence, the customer submits that her credit file shows conflicting information. The customer states that *"in one account November 2016 was settled bill and in another account in the same November 2016, it late payment, this i do not understand. in another account, you will discover default in April 2017 and another account that same April 2017 late payment."* I note that under WATRS Rule 5.4.3, the customer cannot introduce new matters or evidence in their comments on the company's response; the adjudicator will disregard any such material if submitted. However, bearing in mind the consequences for the customer, I find that it would be inequitable to disregard this new evidence. I therefore find it fair and reasonable to direct that the company ensure that all late payment markers and defaults placed on the customer's credit file, for both the customer's new and old accounts, are accurate. Please note that compliance will be met once the company has checked and confirmed to the customer that the late payment markers and defaults are accurate.

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### ***Closing of the customer's account***

11. In respect of the customer's submissions that the company closed her account in error without her knowledge, the company submits that as part of its DCA's actions, the DCA visited the customer's home to try and obtain part of the outstanding balance. When the DCA knocked on the door, a person who they believed was a tenant provided a Tenancy Agreement showing that she had moved in to the property on 2 October 2017. Once it received the information from the DCA, it closed the customer's account.
12. I am mindful that it is common practice in the water industry to accept information regarding an account from third parties in good faith, as often customers move without informing companies and the information provided by third parties such as agents and landlords allows companies to process accounts. I also note that the company corrected this error within 48 hours of being notified. Further, the customer does not acknowledge, address or refute the company's submissions that Voters Roll information shows that the customer moved to another address in August 2017.
13. Consequently, in light of the above and in the absence of any evidence showing otherwise, I find no failing on the company's part in this regard.

### ***Payments into the closed accounts***

14. In respect of the customer's submissions that the company was still taking money for the account even though it had closed it, the customer states that she made payments to the company online. However, the company refutes the customer's submissions and states that the payments were received via Standing Order and it is unable to stop these payments as the customer has control of this.
15. The company has submitted an excerpt from its account notes as evidence to support its submissions that payments received were by Standing Order. The customer has not submitted any evidence such as bank statements showing how she made payments.
16. I must remind the parties that adjudication is an evidence-based process. In the absence of any evidence from the customer showing otherwise, I accept, on a balance of probabilities, the

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company's submissions that payments were received via Standing Order which it had no control over. I therefore find no failing on the company's part in this regard.

### **Outcome**

The company needs to take the following further action(s):

I direct that the company ensure that all late payment markers and defaults placed on the customer's credit file, for both the customer's new and old accounts, are accurate. Please note that compliance will be met once the company has checked and confirmed to the customer that the late payment markers and defaults are accurate.

### **What happens next?**

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 27 March 2019 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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**U Obi LLB (Hons) MCI Arb  
Adjudicator**

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