

WATRS

Water Redress Scheme

ADJUDICATOR'S DECISION SUMMARY

Adjudication Reference: WAT/ /1330

Date of Decision: 26 April 2019

Complaint

The customer moved house in October 2017. When he checked his credit file in January 2019 he realised that the company had registered a default on his credit file relating to unpaid water and sewerage charges on the account for his previous address. He had never previously missed a payment and immediately paid the outstanding amount. He had not received a final bill or any other correspondence as the company had used his previous address and had sent text messages to a telephone number that was no longer in use, despite having other contact details on file. He believes that the company's poor communication methods and inadequate systems caused his credit file to be negatively affected and he wants the company to remove the default from his credit file.

Defence

The company states that the customer moved out of the property without informing it and therefore it continued to send bills and letters to the account address. The bill issued on 18 January 2018 was not paid and the customer did not respond to correspondence sent to the account address or text messages sent to the telephone number held on the customer's account. The company followed its policy and a default was registered on the customer's credit file on 2 June 2018. On 2 January 2019 the customer telephoned the company to pay the outstanding charges and notified the company that he had moved out of the property on 7 October 2017. He asked the company to remove the default from his credit file. However, the company cannot remove the default as it has a legal duty to accurately report account activity and the default was reported correctly.

The company has not made an offer of settlement.

Findings

The evidence provided shows that the customer moved out of the Property in October 2017 but failed to notify the company until January 2019. As the company reasonably assumed that the customer remained in occupation of the Property, it continued to send correspondence to the account address. The company made reasonable attempts to contact the customer before it filed a default on the customer's credit report. I accept that the customer did not receive the company's correspondence, but it is the customer's responsibility to inform the company of any relevant change in circumstances. I therefore find

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no failing on the company's behalf in this respect. The customer did not pay the bill issued on 18 January 2018 so, after sending a Reminder Notice, A Final Notice and an Intention to File a Default Letter in accordance with its policy, the company registered a default on the customer's credit file on 2 June 2019. Having reviewed all the evidence, I find that that company was entitled to share information with the credit reference agency and correctly reported the default. Accordingly, I do not find that the company failed to provide its service to the standard reasonably expected by the average customer.

Outcome

The company does not need to take any further action.

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

ADJUDICATOR'S DECISION

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Date of Decision: 26 April 2019

Party Details

Customer: [].

Company: [].

Case Outline

The customer's complaint is that:

- He moved out of the property known as [] in October 2017 ("the Property") and moved into his current address. His letting agent informed the company that he had moved into his current address in October 2017 through the website "Landlord Tap".
- He found out that the company had registered a default on his credit file when he checked his details on a credit reference website. He always pays his bills on time and telephoned the company immediately to settle the outstanding amount.
- Before the company registered the default it should have tried all means necessary to contact him. However, the company sent the final bill and other correspondence to his previous address and text messages to a mobile telephone number that was no longer in use. The company did not attempt to contact him through the other contact details on his account; his partner's telephone number, his email address or his letting agent's contact number.
- He is aware that when new customer details are given to the company it usually checks for other live accounts in that customer's name and links the accounts by using the same customer reference number. If the company had done this, the correspondence sent by the company regarding the outstanding charges would have reached him.
- When he telephoned the company on 2 January 2019, the company's representative said that he could see what had happened and he would ask his manager to remove the default. However, when he called back on the 4 January 2019 he was told that the manager would not agree to remove the default.

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- He has been unfairly penalised for the company's poor communications and inadequate systems and wants all traces of the default removed from his credit file.

The company's response is that

- A billing account for the Property was set up in the customer's name from 18 October 2016, following information provided by the letting agent through Landlord Tap.
- Landlord Tap is a website that allows Landlords and Managing Agents of residential properties in England & Wales to provide water companies with details of those responsible for the payment of water and/or sewerage charges for their tenanted properties.
- Since 2010, water companies have been permitted by the Information Commissioners Office and OFWAT to share data with credit reference agencies, such as Experian, Callcredit and Equifax. Since September 2015, it has shared information regarding the status of its domestic customers' accounts with a credit reference agency. Initially, arrears are simply reported as being outstanding; however, once an account has been in arrears for three months it sends the customer a Notice of Intention to Default. If the account is not paid in full within a 28 day period, a default will be registered with the credit reference agency. It is legally obligated to accurately report payment activity.
- The customer paid the first two bills but did not pay the bill for £210.72 issued on 18 January 2018. In accordance with its code of practice for unpaid charges, it sent the customer a Reminder Notice on 23 February 2018, a Final Notice on 19 March 2018, and an Intention to File a Default Notice on 2 May 2018. It also sent two text messages asking the customer to make contact, dated 2 March 2018 and 26 March 2018. However, the customer did not make contact and no payment was received. A default was eventually registered on 2 June 2018.
- On 2nd January 2019, the customer contacted the company about the default and stated that he had moved out of the Property on 7 October 2017. The account was closed and the customer paid the outstanding balance immediately.
- The customer states that it should have done more to contact him before the default was registered, but as the company was not informed the customer had moved out of the Property it had no way of knowing that he was not receiving the correspondence. Furthermore, the mobile phone number used to send SMS messages was the number registered on the customer's account. An email address was on file, but this would not be used unless it was registered for paperless billing. It could not have sent correspondence to the letting agent without the customer's expressed consent, as this would be a breach of the General Data Protection Regulations.
- The customer states that it should have checked for other accounts in his name at other properties when opening his new account. However, it has no way of linking accounts unless it is provided

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with specific information, either from the occupier or the agent acting on the occupier's behalf. The customer's letting agent did not provide any information relating to any other properties when it provided details of the new property through Landlord Tap.

- As the customer usually paid his bills in full, he would have expected a final bill after he moved and it is reasonable to expect a customer to make suitable provision for mail to be redirected between house moves.
- The default was reported correctly and in accordance with its legal duty to accurately report account activity and, therefore, it cannot be removed. As the customer has now paid the outstanding charges, it has noted the default as 'satisfied' 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.

How was this decision reached?

1. Having reviewed the evidence provided by the parties, I find that the customer did not inform the company that he had moved out of the Property until 2 January 2019. Whilst I accept that the letting agent used Landlord Tap in October 2017 to inform the company that the customer had moved into his current address, there is no evidence to suggest that the letting agent informed the company that the customer had moved out of the Property. Therefore, I do not find that the company failed to provide its service to the standard reasonably expected by the average person by assuming that the customer remained in occupation of the Property and sending bills and correspondence to the customer at the Property address.

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2. Furthermore, the evidence demonstrates that the customer's telephone number registered to his account was correct but no longer in use by the customer. There is no evidence to suggest that the customer informed the company that the number was no longer in use. The company states that the customer is responsible for informing it about any change of circumstances and, having reviewed the evidence, I find no failing on the company's behalf for using the telephone number registered on the account to contact the customer.
3. The customer states that the company could have linked his new account with his old account and if it had done so, the company would have had his new contact details and the correspondence would have been received. The company explains that although it is possible to link accounts, without specific information it does not routinely do this as it could lead to a breach of data protection laws. Having reviewed the defence statement, I accept that the company does not normally link customer accounts and, in this case, it did not link the customer's account at the Property with the billing account he opened when he moved to his new property.
4. The customer states that the company was under an obligation to use all means possible to contact him before registering the default with the credit reference agency, and should also have tried to contact him by using the email address on his account, the contact details for his partner and the contact details for the letting agent. However, having considered the evidence, I do not accept that the company was obligated to use all means possible to contact the customer. As the company did not know the customer had moved, and had not been informed that the customer's telephone number was no longer in use, I find that the company would have reasonably expected the correspondence it sent to reach the customer and would have had no way of knowing it had not. It therefore follows that I do not find that the company has failed to provide its service to the standard that the customer was reasonably entitled to expect in this regard.
5. Furthermore, there is no evidence to suggest that the customer took pro-active steps to settle his account when he moved out of the Property, even though it is reasonable to assume that he would have expected a final bill. There is also no evidence to demonstrate that the customer arranged for correspondence to be forwarded from the Property to his new address. In view of this, I find that the customer could have done more to ensure the company's correspondence was received.

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6. The company states that since 2010, water companies have been permitted by the Information Commissioners Office and OFWAT to share data with credit reference agencies and, as it has done so since September 2015, it is obligated to provide accurate information about customer's accounts. The company states that it filed the default on the customer's credit file correctly and in accordance with its Code of Practice for Unpaid Charges.
7. The customer accepts that he did not pay the bill for £210.72 issued on 18 January 2018 until 2 January 2019. The evidence demonstrates that the company sent a Reminder Notice, a Final Notice, an Intention to File a Default letter and two text messages to the customer before the default was filed on the customer's credit report. Having reviewed the company's Code of Practice for Unpaid Charges, I accept that the company was entitled to share information with the credit reference agency and correctly registered the default.
8. In view of this, whilst I appreciate that this is not the outcome the customer hoped for, I do not find that the company has failed to provide its services to the standard to be reasonably expected by the average person. Accordingly, 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 27 May 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.

KS Wilks

Katharine Wilks

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Adjudicator

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