

WATRS

Water Redress Scheme

ADJUDICATOR'S FINAL DECISION SUMMARY

Adjudication Reference: WAT/AWS/X906

Date of Final Decision: 12 May 2022

Party Details

Customer:

Company:

Complaint

The customer says the company failed to warn him that an installment plan would negatively affect his credit rating; had he known he would not have paid in this manner. He would like the company to reduce his outstanding balance by 50%, remove negative entries from his credit file and report positively to credit reference agencies. He also seeks compensation of an unspecified sum.

Response

The company says the customer was unable to clear a debt on his account under its usual payment terms and so it agreed an installment plan. It explained at the time this would affect his credit file. It had reported accurate to credit reference agencies. It denies the claim.

Findings

The evidence does not show the company failed to provide its services to the standard to be reasonably expected.

Outcome

The company does not need to take any action.

The customer must reply by 9 June 2022 to accept or reject this decision.

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Case Outline

The customer's complaint is that:

- He accepts he missed some payments however he usually made regularly monthly payments as agreed with the company. He did not receive any bills and so was unaware of any issue.
- He recently found out the company had entered negative entries on his credit file.
- Following contact with the company he found this was due to the type of payment plan he entered into. However, he was unaware of this at the time. He would not have agreed to the payment plan had he known it would affect his credit score.
- He would like the company to reduce his outstanding balance by 50%, remove negative entries from his credit file and report positively to credit reference agencies. He also seeks compensation of an unspecified sum.
- In comments on the company's response the customer says the company did not discuss a payment scheme with him. It only offered an instalment plan and warned if he missed payments it may affect his credit score. However, he paid the agreed sum each month except on a few occasions when he missed payment.
- In comments on a preliminary decision the customer said he did not agree with the outcome, and believed the case had been misunderstood. The issue was the payment plan vs instalment plan. He was not informed of the difference between these two and not informed that one would not affect credit score and the other would. Therefore his original position still stands; if he was informed of the difference he would have taken a different decision at the time.

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The company's response is that:

- In accordance with the Water Redress Scheme (WATRS) Rules, in particular Rule 3.5 it is entirely beyond the scope of the WATRS scheme to examine/review any issues relating to the fairness/appropriateness of the company's set contract terms and/or commercial practices. And it is not within the jurisdiction of WATRS to determine how water companies charge their customers or report on the status of customer accounts.
- Most customers pay for services as they use them and this does not affect their credit rating. This is called a payment scheme.
- The customer was on payment scheme when the account was set up in July 2015 however the customer did not make any payments until July 2016. In January 2018 there was a debt on the account which the customer agreed to clear by December 2018. In October 2018 the company discussed with the customer the amount to clear the debt due under the payment scheme. The customer said he could not afford to pay this and so it agreed an instalment plan with him. This is a non-standard payment arrangement set at a lower amount to spread the cost of invoices over a longer period of time. As an instalment plan does not cover the balance and ongoing charges this is reported negatively by credit reference agencies. It explained this to the customer at the time.
- The customer has not paid his invoices in full and on time. It is entitled and obliged to provide information to credit reference agencies and it has provided information correctly.
- It correctly sent bills to the customer's address.
- It 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 customer has suffered some loss or detriment. If no such failure or loss is shown, the company will not be liable.

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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 says he did not receive any bills from the company and so he was unaware that he was behind on payments. However, the customer knew he had an account with the company and so should have expected to receive bills. While the company cannot prove it sent bills to the customer there is no evidence the customer queried this until recently. I therefore find the evidence does not show the company failed to provide its services to the standard to be reasonably expected in this regard.
2. The company's terms make clear the customer must pay his bills in full and on time. Further that the company will report payment information to credit reference agencies.
3. The customer accepts he did not always pay his bills in full and on time. It therefore follows the company would have reported this to credit reference agencies and this would negatively affect the customer's credit score. The evidence does not show the company failed to provide its services to the standard to be reasonably expected in this regard.
4. The crux of the customer's complaint is that the company did not warn him that paying through an instalment plan would negatively affect his credit file. However, the company says it did. Neither the customer nor the company has provided records of this call for me to verify which account is accurate. However, I am satisfied the company's contract terms make clear customers must pay their bills in full or risk negative entries on their credit files. I am therefore satisfied the company takes reasonable steps to ensure customers are aware of this. The evidence does not show the company failed to provide its services to the standard to be reasonably expected in this regard.
5. I acknowledge the customer says he was unaware that his payment arrangement was negatively affecting his credit file. However, I also consider the company adequately warns customers that non-payment may negatively affect their credit file. I cannot say the company failed to provide its services to the standard to be reasonably expected on the basis of the evidence before me and so the customer's claim is unable to succeed.

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6. In comments on a preliminary decision the customer maintains the company did not explain the difference between the two payment plans. However, as explained at paragraph 4 above, I am satisfied the company relays adequate information through its contract terms in any event. Therefore this does not affect my decision.

Outcome

The company does not need to take any action.

What happens next?

- This adjudication decision is final and cannot be appealed or amended.
- The customer must reply by 9 June 2022 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.



J Mensa-Bonsu LLB (Hons) PgDL (BVC)
Adjudicator

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