

Reporting Payment Behaviour to Credit Reference Agencies Guide

Severn Trent

April 2020

WONDERFUL ON TAP



Our Customer Guide

This policy is to support you, answer any questions you may have about how we share data with Credit Reference Agencies and what this means for you.

Severn Trent Water complies with UK Data Protection Laws, further details on how we use, store and share your data can be found in our [Customer Promise \(https://www.stwater.co.uk/help-and-contact/legal/privacy/\)](https://www.stwater.co.uk/help-and-contact/legal/privacy/). This guide provides more details to make it easier for you to find out how we use, share and protect your data with Credit Reference Agencies.

Why do company's data share?

Like many other utilities, we share your personal data with, and receive your personal data from, Credit Reference Agencies. This helps us by maintaining up-to-date customer records, fraud prevention, identify potential customers falling into debt and allows us to help customers at earlier stages through assistance and education. This helps manage companies debt levels and keeps prices down for customers. If, like most of our customers, you pay your bill on time, sharing your data will also positively impact your credit rating.

What are Credit Reference Agencies?

There are 3 Credit Reference Agencies, and we share with two of these; [TransUnion \(https://www.transunion.co.uk/\)](https://www.transunion.co.uk/) and [Equifax \(https://www.equifax.co.uk/\)](https://www.equifax.co.uk/).

These companies hold and share information about your previous credit history and payment behaviour e.g. whether you have paid your bills on time and in full in the past. Most adults in the UK will be captured or already be registered with a Credit Reference Agency and this data will be refreshed and updated every month with your latest credit score.

What is a credit score?

Your credit score is an indication of how financially healthy you are and indicates to other lenders how likely you are to repay a loan, a credit card, a mortgage or pay for a service.

Most companies you deal with will share your payment history and behaviour with Credit Reference Agencies. When you apply for credit in the future e.g. car finance, your future lender could assess your credit score and determine whether they will lend to you in the future.

If you are; on a payment assistance scheme, have a history of missing payments or pay late. This can result in a negative credit score and potentially prohibit you from receiving credit in the future.

What payment behaviour information do we share with Credit Reference Agencies?

Every month we will share your outstanding balance and a status reflecting your payment behaviour. If you are a good payer (pay your bills on time and in full) this will be shared each month along with your account balance and a status “0” which tells the Credit Reference Agency that you are up to date. If you are *over* one month late in your payment your credit score may be impacted e.g. If your account is 1 month behind it will be shared as a “1”, 2 months behind a “2” etc. but the highest numerical status that will be shared is a “6” for 6 months behind on payments.

If you are on an alternative payment plan, for affordability reasons, or to cover debt on the account, you will be reported as an “i” to Credit Reference Agencies. This indicates to the Credit Reference Agency that a non-standard payment plan with Severn Trent is active on your account. We report alternative payment plans as a different payment plan to support other businesses make responsible lending choices. We also, where relevant, take into consideration the special needs of some customers who are registered on the Public Service Register.

If you fail to pay your bills or keep up to date with the agreed payment arrangement then your account may fall into debt which may lead to a default. For more information on this please see the *I have a default registered against me for a non-payment* section at the end of this policy. You can also visit our [website](https://www.stwater.co.uk/help-and-contact/faqs/what-happens-if-i-don%27t-pay/) for more information about the default process (<https://www.stwater.co.uk/help-and-contact/faqs/what-happens-if-i-don%27t-pay/>)

How is your data used by Credit Reference Agencies?

Information which we provide to the Credit Reference Agencies, about you and your payment behaviour, will be used to:

- Prevent crime, fraud and money laundering by checking the personal details when applying for credit
- Check the operation of credit and credit related accounts
- Make decisions on credit and credit related services about you, people you are financially associated with and members of your household or business.
- Manage your personal and your partner’s business credit or credit related accounts or other facilities
- Determine your current residence and recover any debts owed
- Carry out vulnerability and affordability assessment checks

How do we let customers know about how we share their data?

The details about how we share data with Credit Reference Agencies are documented within our [Privacy Notice](https://www.stwater.co.uk/help-and-contact/le_5gal/privacy/) (https://www.stwater.co.uk/help-and-contact/le_5gal/privacy/) Each of the Credit Reference Agencies, we use, also publish an information notice. Please visit either [TransUnion](https://www.transunion.co.uk/) (<https://www.transunion.co.uk/>) or [Equifax](https://www.equifax.co.uk/) (<https://www.equifax.co.uk/>) for their details.

What happens if my credit score is incorrect?

We are aware that sometimes the scores can be reported incorrectly, and customers get scored either with the wrong score, or circumstances out of their control lead to their credit score being negatively impacted. If you feel that you have been scored incorrectly in your latest credit file please contact us via [live chat](#), [social media](#), or [email](https://www.stwater.co.uk/help-and-contact/contact-us/) (<https://www.stwater.co.uk/help-and-contact/contact-us/>)

Please be aware though that we will not change credit scores unless we consider that;

- There has been an error in our processes.
- There has been an exceptional circumstance that has prohibited you from paying your bill, in accordance with our policy. We will ask for further information or documentation relating to this before amending your credit score.

Payment Plans and Credit Scores

The easiest way to maintain a good credit score is to pay your bill when it's due, or to have a payment plan in place which means making regular payments of a specific amount on agreed payment dates. This payment covers your usage on a weekly, monthly or yearly basis.

If you need any support setting up a payment plan, or feel you cannot keep to your agreed payment plans. Please visit <https://www.stwater.co.uk/my-account/help-with-account/i-need-help-paying-my-bill/> or contact us via [live chat](#), [social media](#), or [email](https://www.stwater.co.uk/help-and-contact/contact-us/) (<https://www.stwater.co.uk/help-and-contact/contact-us/>).

Alternative Payment Plans & Credit Scores

If you are on a payment assistance scheme, such as the Big Difference Scheme (BDS) or have a non-standard arrangement to pay, these will be reported differently to Credit Reference Agencies and could affect your credit score.

Below is a list of Severn Trent offered payment plans which can impact your credit rating:

- **Severn Trent offered Payment Assistance Schemes:**
- [Big Difference Scheme](https://www.stwater.co.uk/my-account/help-when-you-need-it/help-with-paying-your-bill/big-difference-scheme/) (BDS) (England Only) (<https://www.stwater.co.uk/my-account/help-when-you-need-it/help-with-paying-your-bill/big-difference-scheme/>)
- [Water Direct](https://www.stwater.co.uk/my-account/help-when-you-need-it/help-with-paying-your-bill/water-direct/) (<https://www.stwater.co.uk/my-account/help-when-you-need-it/help-with-paying-your-bill/water-direct/>) - where payment for water and sewerage bill is deducted directly from benefits payments.

To check if you are on one of these plans please refer to your latest water or sewerage bill or please contact us via [live chat](#), [social media](#), or [email](https://www.stwater.co.uk/help-and-contact/contact-us/) (<https://www.stwater.co.uk/help-and-contact/contact-us/>)

Changing your personal details and payment date

If you would like to change your details, payment method or date you can do this by visiting your online account or contacting our billing team.

Please contact us via [live chat](#), [social media](#), or [email](https://www.stwater.co.uk/help-and-contact/contact-us/) (<https://www.stwater.co.uk/help-and-contact/contact-us/>)

I have a default registered against me for a non-payment / I have received a notice of intention to register a default, what does this mean?

If you don't pay your water and sewerage bill, after we have sent you a reminder, we may register a default with the Credit Reference Agencies which shows you haven't paid us. When a default is registered against you for non-payment, it will remain on your credit file for six years.

We will always write to tell you of our intention to register a default to allow you time to contact us or make payment. If you receive a notice of our intention to register a default we won't contact you again before we register a default against you so it's important you get in touch with us - we'll do what we can to help. We'll go through payment options with you and help you find the best way to pay your bill. If you need some extra help, we can tell you about the support schemes available and let you know if they'll be suitable for you.

If a default is registered with the Credit Reference Agencies, we will continue to report a default status to the Credit Reference Agencies until you have cleared the default balance. Once you have paid it in full, we will notify the Credit Reference Agencies that it has been 'satisfied'. The 'satisfied default' status will continue to be reported to the Credit Reference Agencies and remain visible to lenders for the remaining part of the six year period. However, satisfying the default may help towards strengthening your credit file. If you don't satisfy the default balance, the default status will continue to be reported to the Credit Reference Agencies, however, this may be viewed less

favourably by some lenders. After the six years has elapsed, these entries will be deleted with the Credit Reference Agencies and will no longer be visible to lenders.

I have more questions about this policy?

If you have more questions about this policy, please refer to our website (<https://www.stwater.co.uk/help-and-contact/legal/privacy/>).

Alternatively you can contact our Credit Reference Agencies partners ([TransUnion https://www.transunion.co.uk/](https://www.transunion.co.uk/) or [Equifax https://www.equifax.co.uk/](https://www.equifax.co.uk/) for any further clarity about what happens to your data – to do this please visit their websites.