



## City of Columbia - Utility Customer Service Credit Risk for Utility Deposits

**Purpose:** Define and apply equitable standards to customers regarding utility deposits who have been identified as credit risks.

**Credit Risk** is identified as any utility customer who has an account that has been shut off, is in a delinquent status, a returned check, declared bankruptcy, current or previous collection, had an accounts in “officiald off” status or an account in write off status/or has been written off.

“Officiald off” is the term used to indicate an account that has been terminated by the City of Columbia Utility Customer Service (UCS) staff. This occurs when an account is in a shut off status for thirty (30) days without payment or the customer abandons the account.

This applies to but is not limited to the following:

- Spouses (Ex. one spouse owes bill so sets up in other spouse name at new location).
- Roommates: Lease must be provided listing all occupants and contact information for the landlord. No one on the lease can owe a previous bill and by using another room mates name attempt to avoid payment or deposit. Any delinquent accounts must be paid or a payment agreement approved by UCS staff.
- Multiple calls from different customers trying to set up at the same location; example, first caller has an old bill, so another customer calls to set up service(s).
- Fraud: The intentional use of incorrect information to set up service(s) at a location.
- Identity theft, the use of another individuals name and/or tax identification number.

If an account is suspect of any collection or potential fraudulent activity the follow are required:

- Activity is to be documented in notes for all UCS staff to beware of credit risk activity at a location.
- Collection staff must be notified to investigate.
- If it is verified by lease, phone call to landlord or the customer has verified on recorded call a certified letter is sent to customer.
- In the case of where there is a possibility of a balance transfer a letter is sent to the individual and the account holder.
  - There is a five day waiting period
  - Follow up action is taken



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(continued)

- Bill must be past due for letters to be sent
- Returned mail - if UCS receives two consecutive pieces of returned mail, and after attempting to contact the customer/landlord to verify the status of the customer; the account is to be disconnected/terminated. The account is then considered abandoned by the customer.
- When an account is in shut off status for non-payment for more than thirty (30) days with no payment the account is to be terminated.
- Instances of fraud - fraud is documented, a letter is sent to the party/parties involved. If there is no appropriate response, the account is disconnected/terminated and activity reported to the police department
- Any customer shut off once who does not currently have a deposit on their account or the deposit on the account is not equal to the current deposit requirement, will be required to pay the appropriate amount to meet the minimum deposit requirements as set by the then ordinance.
- Any customer shut off twice in twelve consecutive months will have the deposit increased to a double deposit or double the highest bill based on customer's overall history.

#### **Credit Risk Customers in order to re-establish services will need to:**

- Come to the office with picture id
- Present current valid lease - all persons listed on lease must be present with picture ID
  - Lease must provide all pages and landlord contact information
- Pay any delinquent balance, collection balance (collection accounts have option to do agreements if amount due is greater than \$300.00)
- Pay double deposit or double the highest bill at new location (whichever amount is larger)
  - ½ of the double deposit can be refunded, after 24 consecutive months of timely payments, at the discretion of the finance director. This is not an absolute.