

SPSO decision report

Case: 201102547, Scottish Water
Sector: Scottish Government and devolved administration
Subject: damage caused / compensation
Outcome: not upheld, no recommendations

Summary

Mrs C was providing the catering for a dinner function, when she learned from Scottish Water that the water supply had become contaminated with aluminium. This meant that the food, which had been prepared using tap water, was unusable. Scottish Water rejected Mrs C's subsequent claim for compensation for loss of staff wages and revenue etc.

We explained to Mrs C that our role in compensation matters is restricted to considering whether the body in question handled the claim reasonably - for example, whether they took account of relevant factors. In this case, the advice from Scottish Water's legal advisers to Scottish Water was that the claim was for pure economic loss and that the law did not require them to pay compensation for that type of loss.

It was not for this office to determine whether the loss was pure economic loss or, indeed, whether the legal advice was accurate. We did not uphold the complaint because, in seeking legal advice, we considered that Scottish Water had considered the claim reasonably.