

SPSO decision report

Case: 201202642, Business Stream
Sector: water
Subject: charging method / calculation
Outcome: some upheld, recommendations

Summary

In September 2010, Scottish Water realised that a property was wrongly listed as domestic. This meant that any business occupiers had not been receiving bills for water and sewerage services. Scottish Water notified Business Stream. However, Business Stream were receiving a high volume of new customers at that time, and did not put the property into their system until January 2011, when they also wrongly identified it as vacant.

In May 2012, Business Stream became aware there was an occupier (Ms C) and billed her. Ms C had been in the property since June 2010 and had thought water charges were collected with business rates. As she had been unaware that her company was liable for the charges, she corresponded with Business Stream by phone, email and letter over some months to try to sort this out. There was no water meter at Property A, which meant the bill was calculated on the basis of rateable value. There is a re-assessment process, by which a customer can ask for the amount of water they are using to be estimated and billed on that basis rather than rateable value. Ms C submitted a re-assessment form in October 2012. This led to a reduction in the amount she was being billed from then.

When Ms C complained to us, she had received a bill for January 2011 to March 2013. The period until October 2012 was calculated at a higher rate, based on rateable value. Ms C was unhappy about the delay in billing her, the backdating of the bill and a number of customer service aspects. Business Stream had apologised for the delay in putting the property on the system and reduced the bill as a good will gesture. In the same letter, they said that they would only back date it to January 2012, however, this was a typographical error and she was unhappy when Business Stream clarified that they still intended to bill her from 2011.

Our investigation found that there had been mistakes on both sides. Ms C had an obligation to let utility providers know she had entered the property and to pay for the services provided. She had not done so. This had been an honest mistake but it did remain her responsibility. Business Stream had failed to process the information from Scottish Water quickly, and then wrongly noted the property as vacant. (They have since changed their audit process to improve this.) As a result of the mistakes, Ms C was being charged at a higher rate for some months but she had also received several months of water and sewerage services free. Business Stream had also taken £100 from the bill. Therefore, although we upheld her complaint that there was an unreasonable delay in setting up the account, we did not uphold her complaint that the backdated bill was unreasonable.

We also looked at the customer service aspects of the complaint. There was evidence that Business Stream tried to resolve the complaint and there was some good practice in what they did. However, Ms C had to make the same points repeatedly and the communication was not always clear. They planned to meet Ms C, but failed to ensure the meeting went ahead. Failings in communication meant debt collection proceedings were started when they could have been avoided. We, therefore, upheld her complaints about complaint handling and debt collection.

Recommendations

We recommended that Business Stream:

- backdate the start of the assessed charges to as particular date;
- ensure there are no outstanding recovery charges on Ms C's bill; and
- apologise for the handling of Ms C's concerns and, in particular, for the length of time it took to conclude their handling of these.