

## SPSO decision report

**Case:** 201301088, Business Stream  
**Sector:** water  
**Subject:** meter reading/ charging method /calculation  
**Outcome:** upheld, recommendations

### Summary

Mr C and Mr D owned a restaurant and the upstairs residential flat. They complained to Business Stream that the restaurant's water meter also measured the flat's consumption. Although Mr C and Mr D knew that they had to pay commercial rates for their restaurant's water consumption, this meant that they were paying for the water in both the restaurant and the flat at commercial rates.

In response to their complaint, Business Stream explained that where a property has both a commercial and residential element (and a corresponding rateable value and council tax banding) it is classed as 'dual use'. In such cases, their policy says that all consumption (including that of the flat) is charged commercially and the restaurant can recharge the flat for its proportionate share. Business Stream also explained that Mr C and Mr D could request that the water charges be removed from the flat's council tax, and that they were satisfied that they had billed them appropriately, based on the information they had.

Although our investigation showed that Business Stream had billed Mr C and Mr D in accordance with their policy, when we took all the evidence into account we did not consider that the policy applied in this case. This was because the flat and the restaurant were two separate properties (as opposed to one property with a commercial and a residential part). We, therefore, took the view that they should not be classed as a 'dual use' property. We upheld the complaint and made two recommendations.

### Recommendations

We recommended that Business Stream:

- contact their customers to explain their reassessment process; and
- consider, if their customers amend their pipework and apply for reassessment, backdating any reduction in their charges.