

SPSO decision report

Case: 201305870, Business Stream
Sector: water
Subject: charging method / calculation
Outcome: some upheld, recommendations

Summary

Ms C works for a company providing care services to people who rented accommodation individually from a housing association. The company had use of a room on the premises, where staff could stay overnight when helping residents. The valuation assessor had categorised the premises as residential, apart from the room, which had a commercial rateable value.

Ms C complained that Business Stream applied charges for water and waste water services on the basis of a care home. Her company was charged for all water passing through the shared water meter, whether it was used for domestic or non-domestic purposes. She argued that the domestic water was already covered by council tax for the residential parts of the premises, and that the company should only be charged on the small rateable value of the commercial element. Business Stream had applied their dual-use policy, used where a single property has both residential and commercial components. This requires commercial residents to ask domestic residents to cancel the water charges from their council tax and pay the company for water that they use. However, Ms C said that the residents were exempt from council tax (and, therefore, water charges). Business Stream challenged the charges with Scottish Water on Ms C's behalf, but Scottish Water said that they were correct.

We upheld Ms C's complaint as we had a number of concerns about this approach. Scottish Water considered the premises to be a care home, implying that all water was used for the operation of the care home. Under such circumstances, the dual-use policy would not be applicable. The fact that they had applied this policy reflected the fact that the assessor differentiated between the domestic and non-domestic parts of the premises. The dual-use policy also made no provision for the fact that the residents were not liable for council tax. We considered it unreasonable to expect the company to ignore this and charge the residents for water (at the higher commercial rate), or to absorb the cost of the water used. The policy was applied without considering the specific circumstances at the premises or whether the company was being charged only for the water it used.

We did not uphold a second complaint from Ms C about the handling of her complaint.

Recommendations

We recommended that Business Stream:

- share our comments with Scottish Water and work with them to ensure that water charges at the premises accurately reflect the amount of water used for non-domestic purposes; and
- share our comments with Scottish Water regarding the appropriateness of applying the dual-use policy in this case.