

Case 200700035: The City of Edinburgh Council

Summary of Investigation

Category

Local government: Finance; Council tax

Overview

The complainant (Mrs C) was concerned that The City of Edinburgh Council (the Council) failed to correct an error on her council tax account, which led to incorrect demands and a summary warrant being issued against her. Mrs C was also concerned that her complaint had not been handled appropriately and in line with the Council's complaints procedure.

Specific complaints and conclusions

The complaints which have been investigated are that the Council:

- (a) failed to correct, despite three attempts to do so, an error on Mrs C's council tax account, which led to incorrect demands and a summary warrant being issued against her (*upheld*); and
- (b) failed to handle Mrs C's complaint appropriately and in line with their complaints procedure (*upheld*).

Redress and recommendations

The Ombudsman recommends that the Council provide training for their staff on the terms of their complaints procedure and on the importance of following that procedure when complaints and concerns are raised by members of the public. The Council should also bring this report to the attention of all staff dealing with council tax matters, in order to ensure that the type of repeated errors that occurred in this case are less likely to occur in future.

The Council have accepted the recommendation and will act on it accordingly.

Main Investigation Report

Introduction

1. On 2 April 2007, the Ombudsman received a complaint from a woman, referred to in this report as Mrs C, about the City of Edinburgh Council (the Council)'s failure to correct an error on her council tax account, which led to incorrect demands and a summary warrant being issued against her. Mrs C also complained about the Council's failure to handle her complaint appropriately and in line with their complaints procedure.

2. The complaints from Mrs C which I have investigated are that the Council:
- (a) failed to correct, despite three attempts to do so, an error on Mrs C's council tax account, which led to incorrect demands and a summary warrant being issued against her; and
 - (b) failed to handle Mrs C's complaint appropriately and in line with their complaints procedure.

Investigation

3. The investigation of this complaint involved obtaining and reading all the correspondence between Mrs C and the Council. In addition, I obtained copies of: the Council's Revenues and Benefits Department's leaflet entitled Customer Service Performance Standards A Guide for Staff; a memo to Revenues and Benefits staff dated 8 May 2006, which announced the implementation of a new complaints process; and a report put to the Council's Executive Committee regarding the progress of the new complaints management system.

4. I have not included in this report every detail investigated but I am satisfied that no matter of significance has been overlooked. Mrs C and the Council were given an opportunity to comment on a draft of this report.

(a) The Council failed to correct, despite three attempts to do so, an error on Mrs C's council tax account, which led to incorrect demands and a summary warrant being issued against her

5. On 25 April 2005, Mrs C telephoned the Council to query a notice she had received, which stated that she owed £8,000 in unpaid council tax. A letter from the Council to Mrs C of the same date stated that a credit of £8,000 existed on the Council's archived database and that this credit had not been transferred when a new database was introduced in 2003. The Council stated that the

problem was being looked into and would be resolved that week. They apologised for the inconvenience the error had caused Mrs C.

6. On 8 August 2006, Mrs C received a final notice for payment of £788.42. She telephoned the Council on 14 August 2006 to query the final notice and referred to the letter from the Council dated 25 April 2005, which stated that the problem would be resolved. Mrs C has told me that the Council informed her the final notice would be suppressed.

7. On 28 November 2006, Mrs C received a letter from Sheriff Officers stating that a summary warrant had been granted against her at the Sheriff Court and that the sum of £788.42 plus £78.84 penalty was being demanded. Mrs C telephoned the Council on 1 December 2006 and was told that an error had been made and that the Sheriff Officers would be advised to withdraw the warrant.

8. On 5 December 2006, Mrs C received a letter from Sheriff Officers stating that if she failed to contact them the summary warrant would be enforced by arresting her earnings and any funds held by her bank. Mrs C telephoned the Council on 11 December 2006 and was told that no explanation could be offered regarding why the warrant had not been withdrawn after the telephone conversation on 1 December 2006 and why a further letter from Sheriff Officers had been sent. Mrs C asked for written confirmation that the problem had been resolved. On 23 December 2006, the Council wrote to Mrs C stating that the Sheriff Officers had been contacted and that the warrant had been withdrawn. The Council apologised for the distress that the error had caused Mrs C.

9. Mrs C was concerned that the summary warrant issued against her had damaged her professional reputation, as she held a senior position in a Housing Association. She was dissatisfied with the way the issue had been handled and felt that an apology was not enough. Mrs C believed that the Council should offer her some recompense for the damage to her professional reputation and for the time taken to rectify the problem. Mrs C raised these points in a letter to the Council dated 21 December 2006.

10. The Council replied on 12 January 2007 stating that her complaint was under investigation and a response would be sent no later than 19 January 2007. On 6 February 2007, Mrs C wrote to the Council stating that she had not received a response despite being promised one by

19 January 2007. She asked the Council for a copy of their complaints procedure.

11. On 7 February 2007, the Council wrote to Mrs C stating that their council tax system had been replaced in the summer of 2003. They stated that, normally, setting up a new account and transferring credits to the new system would have been a simple task but that a technical issue meant that credits could not be transferred. The Council explained that all notices had been suspended on her new account, but that the suspension was then withdrawn and this resulted in recovery notices being issued. The Council apologised for that and confirmed that all charges had now been withdrawn and no further notices would be issued. The Council stated that, while they could understand Mrs C's frustration, there was no provision for the Council to compensate someone where an error had been made.

12. Mrs C replied on 12 February 2007 stating that the Council's response had not adequately addressed the issues raised in her letter dated 21 December 2006. Mrs C emphasised that the serious errors made by the Council had caused her significant distress and had damaged her professional reputation. She also stated that the response had not been provided to her within the timescale she had been promised and that a copy of the Council's complaints procedure had not been sent to her.

13. The Council replied on 26 February 2007 apologising that the matter was not dealt with promptly and for the duress that had caused. The Council repeated there were no provisions to make ex-gratia payments (these are payments that are made without accepting liability and, often, as a gesture of goodwill) under the council tax regulations. The Council said that if she was not happy with the reply she received, Mrs C could complain to the Complaints Officer.

14. On 1 March 2007, Mrs C wrote to the Complaints Officer restating her complaint. On 12 March 2007, the Council wrote to Mrs C stating that the Council's letter dated 7 February 2007 covered all the points raised by Mrs C and that, while her upset and distress were appreciated, there was no further action the Council could take.

15. On 19 March 2007, Mrs C wrote to the Council stating that she was dissatisfied with the Council's refusal to compensate her for the serious errors in

the administration of her council tax account. She asked for her complaint to be escalated to the next stage of the Council's complaints procedure and for the Council to provide details of the various steps and timescales for dealing with complaints.

16. On 26 March 2007, the Council responded stating that a copy of the complaints procedure had been sent to Mrs C with the Council's letter dated 26 February 2007 and that the next stage of the complaints procedure involved writing to the Scottish Public Services Ombudsman.

17. In a letter to the Ombudsman dated 2 April 2007, Mrs C rehearsed the concerns set out above and emphasised that she was especially concerned that other members of the public, who might be more vulnerable through age, disability or other problems, might end up being pursued for debts they did not owe by the Council.

18. The Ombudsman must give careful thought to the circumstances in which it would be appropriate to pursue a complaint which was considered, in the Ombudsman's opinion, to be adequately resolved prior to a complaint having been made to her office. In this case, I noted that Mrs C had received several apologies from the Council and had been provided with acknowledgments and explanations regarding what went wrong. Nevertheless, I was concerned that the cumulative nature of the errors that affected Mrs C's council tax account potentially rendered them more serious and I was also concerned that such errors might have had an impact on other members of the public. I was also keen to establish, via further investigation, whether and to what extent the Council had taken steps to prevent a reoccurrence of the errors identified. Consequently, while fault had been acknowledged by the Council and some remedy offered prior to the Ombudsman's involvement, I considered that there were outstanding issues which merited investigation.

19. In response to my enquiries, the Council stated that the task of transferring credits from one account to another was relatively simple and was part of the training programme for all staff. The Council said that, in this case, the problem arose because payments were posted to the Council's old system when records were being transferred to the new system. The Council said that there was a delay in transferring information from the old system to the new one which meant that between July and September 2003 there was no 'live' system in operation. The Council stated that, because of the delay, a hold was placed on

Mrs C's account and the operations team had been advised that a transfer of money was due from one system to another. The Council said that, unfortunately, the case was not monitored or reviewed, the transfer was not actioned and the hold was removed. They said that this led to further demands for payment being sent out to Mrs C.

20. The Council said that during the period April 2005 to December 2006 further requests were made by the operations team to transfer the funds between the accounts, but there was, again, a failure to monitor the case or otherwise ensure the transfer of funds.

21. The Council told me that it was evident that their actions in dealing with Mrs C's council tax arrangements fell short of the expected standards. The Council said that, in recognition of that, they had offered Mrs C a £250 discount on her council tax, which they felt was a reasonable response to the inconvenience caused to her. The Council informed me that Mrs C refused the payment.

22. The Council told me that no direct changes had been made to their processes and procedures as a result of the problems experienced by Mrs C, as the circumstances of her case were rare. The Council said that the Council's complaints procedure (see paragraphs 32 to 34 below) would normally apply in such cases. The Council said that they had brought the importance of monitoring cases closely to their staff's attention.

(a) Conclusion

23. I note that the Council have a procedure in place, through their complaints procedure (which requires that complaints and concerns are recorded and appropriate remedial action taken where fault is acknowledged), which should have ensured that the problems Mrs C raised regarding her council tax accounts were addressed and any errors corrected. However, it is clear that this procedure was not followed in this case.

24. Indeed, I note that the fact that the Council failed to rectify the problem with Mrs C's council tax account is not in dispute. The Council recognised and apologised for this failure on several occasions prior to Mrs C raising a complaint with the Ombudsman.

25. As I have already touched on at paragraph 18 above, the Ombudsman must give careful consideration to the circumstances in which it is appropriate to investigate and uphold a complaint where fault has already been acknowledged and where an apology has been issued. However, in this case, I consider that the cumulative nature of the human errors that affected Mrs C's council tax account, and the fact that the Council have been unable to say why these errors occurred, was unacceptable.

26. I consider that, while the apology and explanation provided by the Council remedied Mrs C's complaint to some extent, the Council's repeated failures in this case and the cumulative impact of those errors rendered them more serious. I also consider that more should be done by the Council to ensure that similar problems do not occur again in future. Consequently, I consider that the Council should now take steps to ensure that their staff are provided with training on their complaints procedure and use Mrs C's complaint and this report to minimise the likelihood of similar problems occurring again in future. In light of these comments, I uphold the complaint.

27. I note that, during the course of this investigation, Mrs C was offered a payment of £250 for any inconvenience she was caused and provided with a further apology by the Council. I also note that the Council have reminded their staff of the importance of monitoring cases to ensure that appropriate action is taken. While I commend the Council for taking these further steps to remedy the complaint, I consider, as already mentioned, that further action is required and I have made a recommendation in this regard at paragraph 30 below.

28. For the record, Mrs C informed me that she had not accepted the £250 payment offered by the Council, as she felt that her complaint raised a serious issue that should be brought to the attention of the Council's senior management. She said that her complaint was not about compensation in itself. I note Mrs C's comments, but consider that the acceptance of the payment is a matter for her.

29. Mrs C has raised further issues regarding the payment and a further error that has allegedly been made regarding her council tax account. However, these are new issues of complaint, not covered by the scope of this investigation, and I have, therefore, referred Mrs C back to the Council's complaints procedure on those points.

(a) Recommendation

30. I recommend that the Council provide training for their staff on the terms of their complaints procedure and on the importance of following that procedure when complaints and concerns are raised by members of the public. The Council should also bring this report to the attention of all staff dealing with council tax matters, in order to ensure that the type of repeated errors that occurred in this case are less likely to occur in future.

(b) The Council failed to handle Mrs C's complaint appropriately and in line with their complaints procedure

31. Paragraphs 32 to 34 below set out the relevant guidance, which the Council's staff should follow when dealing with complaints.

32. The Council's Customer Service Performance Standards A Guide for Staff states:

'Complaints

You will:

try to sort out a customer complaint on the spot wherever possible

- follow at all times the Revenues and Benefits Divisional complaints procedure as outlined on the Intranet
- answer all customer complaints within 10 working days
- tell the customer what further steps they can take if they are still not satisfied

All complaints will be identified, recorded, their progress monitored and effective remedial action taken to address the cause of the complaint.'

33. Mrs C was sent a 'How to contact us' document on 7 February 2007, which referred to customer feedback and complaints and stated:

'Customer Feedback:

We aim to provide services of the highest quality.

If you have a complaint or suggestion, please contact us using any of the above methods. If you wish, you can ask for a 'Make Contact' form.

Where possible, we will try to sort out your query immediately.

If we can't, we will respond to you within 10 working days or keep you updated with the reason for any delay.

Our response should tell you clearly what to do next if you are still not happy.

We will record and monitor all complaints and use the information to make our services better.'

34. The Council provided me with a copy of the 'Process Notes', which explained the different stages of their complaints procedure and set out what should happen at each stage. The Process Notes state:

'Stage 1

... Stage 1 complaints may be received by anyone in the organisation ... the customer must be told how to take their complaint further if they are not satisfied with the response. The following paragraph should be inserted in any written correspondence about the complaint:

If you are not satisfied with the response to your complaint, you can take it further by contacting (name of line manager/escalation point) on (extension number/email) or by writing to (office address). He/she will then review your complaint and get back to you with his/her decision.

Stage 2

These are by their nature from customers who have already raised a Stage 1 complaint and are dissatisfied with the response ... They should be investigated and responded to by a senior officer in the service area ... Again, the customer must be told how to take the complaint further if they are not satisfied with the response ... The following paragraph should be inserted:

If you are not satisfied with the response to your complaint, you can take it further by contacting (name of Director or representative) on (extension number/email) or by writing to (department address). He will then review your complaint and get back to you with his decision.

Stage 3

This is the final stage of the Council's complaints process. Once the Director has carried out a review of the complaint, he will reply in writing to the customer. This reply will include the following paragraph:

Your complaint has now reached the final stage of the Council's process. If you remain dissatisfied with our response, you have the right to take your complaint to the Scottish Public Services Ombudsman ...

35. Mrs C was concerned that the Council had failed to follow their complaints procedure. She said that she was promised an initial response by 19 January 2007 but did not receive one until 7 February 2007. She said that she had to ask twice for a copy of the Council's complaints procedure and she believed that the Council should provide details of the procedure when a complaint was received. Mrs C was also concerned that she was not advised how she could escalate her complaint. She said that the response she received from the Council on 12 March 2007 (see paragraph 14 above) implied that no further action could be taken, which was inaccurate and unhelpful as complaints could be made to the Ombudsman. Mrs C said that the sort of letter she received could discourage people from pursuing their complaints.

36. The Council, in responding to my enquiries, said that the delay in responding to Mrs C's complaint was due to a backlog of council tax enquiries and the failure of a member of staff to monitor the case closely. The Council said that the importance of monitoring cases and of advising customers of other avenues available to them if they were dissatisfied with the service they received had been brought to the attention of staff.

(b) Conclusion

37. The Council acknowledged that their complaints procedure was not followed appropriately in this case.

38. It is clear that the Council did not respond to the initial complaint within the ten day working days promised in their complaints procedure. It is also clear that the Council failed to provide details of how Mrs C could escalate her complaint on several occasions and failed, without being prompted, to inform the complainant that she had a right to complain to the Ombudsman. Consequently, I uphold the complaint.

39. I note that the Council have reminded their staff of the importance of monitoring cases closely and of the need to advise complainants on how they can escalate their complaints. I also note, as mentioned above, that the Council have extended an apology to Mrs C and offered a payment of £250 in view of the failings identified in their handling of this case.

40. In the circumstances, and given my recommendation at paragraph 30 above, I have no further recommendations to make.

19 September 2007

Explanation of abbreviations used

Mrs C

The complainant

The Council

The City of Edinburgh Council

List of legislation and policies considered

The Council's Complaints Procedure