

**SCOTTISH  
PUBLIC  
SERVICES  
OMBUDSMAN**



People Centred | Improvement Focused

The Scottish Public Services Ombudsman Act 2002

# Investigation Report

UNDER SECTION 15(1)(a)

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SPSO Information [www.spsso.org.uk](http://www.spsso.org.uk)

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**Case ref: 201804489, Clear Business Water**

**Sector:** Water

**Subject:** Billing and charging / incorrect billing

### **Summary**

Mr C complained that Clear Business Water (CBW) had failed to communicate with him appropriately or reasonably about his account. He also complained that CBW had billed him unreasonably for water which he did not believe he was liable for and that they had failed to respond reasonably to his complaint.

Mr C disputed whether CBW were in fact his licensed provider, and said that he had been denied the opportunity to choose a provider. Mr C said that CBW had acted unreasonably and inappropriately by sending him letters from an organisation called Universal Debt Collection (UDC). UDC was in fact part of the same company as CBW, but this had not been clear from their correspondence. Mr C said that UDC had threatened him with court action in England, as well as site visits, for which he would be charged and had ignored the fact that he was disputing his water charges. Mr C said that he had to submit his complaint several times, and CBW did not responded properly to the issues he was raising. Mr C also said that CBW had written repeatedly to his home address, which was inappropriate and distressing for his elderly and unwell mother who lived there.

CBW told us that they did not accept that they had acted unreasonably or inappropriately. UDC was part of the same group as CBW, but CBW did not have written debt collection or disconnection procedures. Their process for chasing payment was automated, which CBW believed ensured that their customers were treated fairly. They denied being aware of any vulnerable individuals at any of the addresses they wrote to, and said that they had written to Mr C's residential address when mail was repeatedly returned from his business address.

We found that whilst CBW were Mr C's licensed provider and were entitled to pursue him for payment, their communication with him had been unreasonable, as it had been inaccurate and misleading. We found that UDC employees had given Mr C the impression by telephone that they were a separate debt collection agency. We did not find any evidence Mr C had informed CBW there were vulnerable individuals at the residential address they were writing to. We also found CBW had failed to explain clearly to Mr C what they were billing him for. We found that CBW had not responded fully to Mr C's complaint when they received it, and that they had continued to pursue him for payment whilst the account was in dispute and during our investigation into Mr C's complaint. We upheld all aspects of Mr C's complaint.

## Redress and Recommendations

The Ombudsman's recommendations are set out below:

What we are asking Clear Business Water to do for Mr C:

Complaint number	What we found	What the organisation should do	What we need to see
(a) (b) and (c)	CBW failed to communicate with Mr C reasonably, and unreasonably attempted to bill Mr C for water without resolving his disputes	Apologise to Mr C for the failings identified in this case.  This apology should comply with SPSO guidelines on making an apology, available at <a href="http://www.spsso.org.uk/leaflets-and-guidance">www.spsso.org.uk/leaflets-and-guidance</a> .	A copy or evidence of the apology  By: 20 April 2020
(c)	CBW had not properly investigated Mr C's complaint about double charging	CBW should ensure that they have the systems in place to ensure complaints are properly investigated. They should apply these to investigate Mr C's complaint that he had not previously received communication from Aimera and provide him with a clear summary of all the accounts they believe he holds with them, as well any records they hold of contact between him and Aimera.	A copy of the response provided to Mr C.  By: 20 April 2020
(a) (b) and (c)	Clear Business Water had not made an offer of goodwill which took into account all the failings identified by this report	CBW should confirm and review their offer of a goodwill payment to Mr C, so that it encompasses the failings identified in this report and in their investigation of the complaint about communication from Aimera	A copy of the revised offer of goodwill, together with evidence of how it has been calculated, when it was offered and how it was paid.  By 20 April 2020

We are asking Clear Business Water to improve the way they do things:

<b>Complaint number</b>	<b>What we found</b>	<b>What should change</b>	<b>What we need to see</b>
(a)	CBW threatened visits from an Investigations Officer, although there was no locus for on-site investigation	CBW should have systems in place to ensure they only issue correspondence which accurately reflects their billing and complaints process	Evidence that these systems are in place and have been communicated to all staff responsible for revenue collection.  By: 20 April 2020
(b)	CBW had issued copies of court documents, when they were not engaged in legal action	CBW should only issue documents that accurately reflects their billing and debt recovery process and the actions they are taking	Evidence that this change has been communicated to all staff responsible for revenue collection and that the necessary procedures are in place.  By: 20 April 2020

We are asking Clear Business Water to improve their complaints handling

<b>Complaint number</b>	<b>What we found</b>	<b>What the organisation say they have done</b>	<b>What we need to see</b>
(c)	CBW's complaint handling fell below an acceptable standard	CBW should respond timeously and comprehensively to complaints following the principles of SPSO's Model Complaint Handling Procedure.	Evidence that CBW has appropriate complaints handling systems in place, and that these have been communicated to relevant staff who are adequately trained to apply them.  By: 18 June 2020

In response to other complaints upheld by this office, Clear Business Water told us that they had already taken action to fix various problems we had identified. We will ask them for evidence that this has happened:

<b>Complaint number</b>	<b>What we found</b>	<b>What the organisation say they have done</b>	<b>What we need to see</b>
(a)	CBW's and UDC's communication with Mr C was inaccurate and misleading in its references to English Court proceedings	CBW have updated the correspondence they and UDC issue, to ensure it accurately reflects the jurisdiction they are operating in	Evidence that CBW have implemented a form of quality assurance, which allows them to monitor whether their updated procedures are being followed.  By: 20 April 2020
(a)	UDC continued to pursue Mr C for payment after he had raised a formal complaint and after CBW were aware the Ombudsman was investigating their complaint.	CBW have updated their process for pursuing payment to allow a stop to be put in when a complaint has been raised	Evidence that CBW have implemented a form of quality assurance that allows them to monitor whether procedures are being followed.  By: 20 April 2020

## **Who we are**

The Scottish Public Services Ombudsman (SPSO) investigates complaints about organisations providing public services in Scotland. We are the final stage for handling complaints about the National Health Service, councils, housing associations, prisons, the Scottish Government and its agencies and departments, the Scottish Parliamentary Corporate Body, water and sewerage providers, colleges and universities and most Scottish public authorities. We normally consider complaints only after they have been through the complaints procedure of the organisation concerned. Our service is independent, impartial and free. We aim not only to provide justice for the individual, but also to share the learning from our work in order to improve the delivery of public services in Scotland.

The role of the SPSO is set out in the Scottish Public Services Ombudsman Act 2002, and this report is published in terms of section 15(1) of the Act. The Act says that, generally, reports of investigations should not name or identify individuals, so in the report the complainant is referred to as Mr C. The terms used to describe other people in the report are explained as they arise and in Annex 1.

## **Introduction**

1. Mr C complained to me about the way that he had been treated by Clear Business Water (CBW). Mr C said that he did not believe he was a CBW customer, and was therefore not obliged to pay them water charges. Mr C also complained about the way CBW had communicated with him about his account and the way CBW had handled his subsequent attempts to complain.

2. The complaints from Mr C I have investigated are that CBW:

(a) failed to communicate with Mr C appropriately or reasonably (*upheld*);

(b) unreasonably billed Mr C for water (*upheld*); and

(c) handled Mr C's complaint unreasonably (*upheld*).

## **Investigation**

3. I have decided to issue a public report on Mr C's complaint because the failings identified in CBW's handling of the case represented both a significant injustice to Mr C and are a matter of public interest.

4. This report includes the information that is required for me to explain the reasons for my decision on this case. Please note, I have not included every detail of the information considered. I and my complaints reviewer have reviewed all of the information provided during the course of the investigation. Mr C and CBW were given an opportunity to comment on a draft of this report.

## **Background**

5. Mr C operates a small business. In 2015, the business was contacted by CBW who began sending him water bills. Mr C questioned why CBW believed they were entitled to do this and in early 2016 was provided with a copy of a letter from Scottish Water, which stated that Mr C's company had 15 days to appoint a licensed provider as their water supplier. This process was part of the Scottish Government procedure for ensuring that all eligible commercial premises in Scotland were allocated to a licensed provider, allowing them to be billed for their water. As part of this process, licensed providers are allocated by Scottish Water, and are known as a 'deemed provider'.

6. In 2016, Mr C was told by CBW that he was not on a fixed term agreement and that he could choose an alternative provider. CBW offered a credit of 50 percent of the outstanding balance to end the matter. Mr C responded to this, asking for an

invoice setting out the offer. He said he was told that he had to pay the amount demanded by CBW first, and that he would then receive a credit on his account.

7. Mr C told us that although he was not happy, he paid his water bills as he did not want to spend time pursuing the matter. Mr C also said that although he had attempted to find an alternative provider, he had been unable to do so. Mr C said that he believed that, although the sums he was being asked to pay were significant from his perspective as a small business owner, they were not large enough to interest another provider.

8. In November 2017, Mr C said that he received separate bills for two units "room F14 A" (Room 1) and "room F 15" (Room 2). Mr C said that previous bills from CBW had been for Rooms 1 and 2 together. Mr C said Room 2 was the main office and Room 1 was a small store room and he did not believe it was reasonable to bill separately for these units.

9. I note that the entry on the Scottish Assessor's Association website was for the address 'Unit 20 Unit F15 and F14A'. Subsequently, a separate entry was created for Unit F14A in March 2017. This was allocated to Aimeria by Scottish Water and Aimeria were then taken over by CBW in September 2017.

10. Mr C said he then received a second bill, which stated his business had previously had an account with Aimeria. Mr C also said that he was not aware that he had ever had an account with Aimeria, and that he had never received any bills or correspondence from them. Mr C said that he also began to receive bills backdated six months from CBW, which he believed was for water he had already paid for. Mr C felt this was unreasonable and that there were administration charges added to this bill without explanation.

11. Mr C said that the normal bill had been paid and the issue of double charging had been raised with CBW. Mr C told us that there had been no response from CBW. Mr C complained formally in January 2018. He said that he had re-sent the complaint three times. He said he received a partial response in February 2018, but did not receive a substantive response until mid-July 2018, which was dated May 2018.

#### *Complaint to Clear Business Water 24 January 2018*

12. Mr C raised the following issues:

- a. evidence that CBW were entitled to act as Mr C's licensed suppliers;



- b. no notification was provided by Scottish Water of allocation and CBW had refused to allow Mr C to return to Scottish Water to choose a different provider;
- c. his bills arrived two weeks after the invoice had been raised, with a demand they be paid within two weeks, which was impossible. Mr C had settled the invoices within a 30 day period, which he considered reasonable, but had received two letters and a telephone call chasing payment in that period;
- d. he was being written to by name, but Mr C said he was not a client of CBW, his business was. He would not respond to mail addressed to him personally;
- e. correspondence had been sent to Mr C's home address. Mr C said this amounted to harassment. Mr C said CBW had never been provided with this address and that correspondence sent to this address would be returned unopened, with a charge for handling applied;
- f. CBW had begun to double bill Mr C's business and backdate that bill by six months. Mr C said that he had raised the issue of double billing, but the bill had not been retracted; and
- g. Mr C also told CBW they did not have consent to record or hold recordings of calls to him or his business.

*Clear Business Water's response of 23 February 2018*

13. CBW confirmed to Mr C they had been allocated the account in 2015 by Scottish Water. The letter explained the process of allocation, and the basis for the charges being made. It also noted that Mr C had not agreed a contract with CBW and suggested he could transfer to a new supplier, simply by asking to do so, provided there was no outstanding balance on his account.

14. CBW also stated that the balance was valid and payable in full and CBW were not in a position to waive it. They would offer a credit of £25 as a gesture of goodwill.

15. Between this response and the response set out below, Mr C continued to receive correspondence from CBW. This included a warning of a 'Planned Site Visit' by an 'Investigation Officer'. This letter told Mr C that he would be visited so that an

investigation could be carried out, which might result in the disconnection of his water supply. The letter included a 'pro-forma invoice' for £96.00.

*Clear Business Water's response of 14 May 2018*

16. This complaint response from CBW referred to Mr C's complaint having been received on 25 April 2018. It said that he had previously had an explanation of the process behind the allocation of suppliers. They also noted Mr C had been provided in 2016 with a copy of the letter from Scottish Water informing him of the decision.

17. CBW confirmed their payment terms were 14 days following the generation of an invoice. They did not accept that this was unreasonable.

18. CBW said they wrote to Mr C because they required an authorised signatory, usually the owner or director of the company. CBW said that in response to the request Mr C's name was to be omitted from invoices. They could not remove the requirement for a name altogether from automatically generated correspondence, but it could be anonymised.

19. CBW said that the domestic address had been used for business communication, due to mail being returned from the billing address. CBW said as a balance was due, they had to find an address to which to send correspondence. However, they had now amended their system back to the billing address.

20. CBW denied there was duplicate billing. They said that they had two accounts for his business. One for which had been allocated to them by Scottish Water and one which had previously been held by Aimeria. CBW apologised for not having provided accurate addresses previously, but said this had now been rectified.

21. CBW said they could not delete the information they held about Mr C, or return his account to Scottish Water. If his balance was cleared, he would be able to transfer to another licensed provider.

**(a) CBW failed to communicate with Mr C appropriately or reasonably**

*Concerns raised by Mr C*

22. Mr C complained that CBW had failed to communicate with him in a reasonable manner. Some of these issues are reflected in the summary set out above.

23. Mr C said it was unacceptable for CBW to send bills to his home address. Mr C said he asked CBW to stop doing this, but they continued. Mr C said his terminally ill

mother lived at the address and the correspondence was distressing and alarming for her.

24. Mr C said that he considered this entirely unreasonable. He said he was not being billed by CBW as an individual, but his business was. Mr C said that as CBW were, in his view, deliberately sending him incorrectly addressed mail, he had sent them an invoice for the time taken to handle it, but CBW had not responded or acknowledged this. Mr C said that he had told CBW in his complaint that he intended to do this, but it had not been acknowledged.

25. Mr C told us he felt he had been subjected to unreasonable behaviour that, in his view, amounted to bullying and intimidation from CBW. He provided:

- a. correspondence from Universal Debt Collection (UDC) and an external enforcement company, both of which appeared to be debt collection agencies;
- b. correspondence from UDC which contained copies of what appeared to be court documents; and
- c. copies of correspondence from CBW, informing him that a site visit would be carried out by an 'Investigation Officer' and an additional charge would be added to his account.

26. Mr C said he believed these actions were not only inappropriate, but they amounted to harassment. Mr C noted that contact from CBW and UDC had continued throughout the complaint process and after he had brought his complaint to my office.

27. The correspondence from the private enforcement agency was from November 2018. This stated his account had been passed to them for collection action to be taken. I note, however, this letter states that Mr C's case was not subject to 'High Court Action'.

*Clear Business Water's response to my office*

28. CBW did not accept that they had acted unreasonably by insisting on settlement within ten working days of the date an invoice was generated. CBW said they could not control the speed of postal delivery and would expect customers to receive invoices which were sent to them. If an invoice was overdue, contact would be made by telephone.

29. Letters had been sent to a domestic address rather than the billing address, because post had been returned to CBW. As licensed providers were required to send invoices, a desktop review had been carried out and identified the registered address for the company of which Mr C was the director. As a consequence, correspondence was sent to this address. CBW said they had not been informed about any vulnerable residents at this address.

30. CBW said the account was passed to UDC, who acted as a debt collection service for brands under the Verastar group, which CBW was also part of. They were not a licensed debt collection agency.

31. CBW said they did not have formalised documentation for debt collection or disconnection procedures. They stated their debt collection correspondence was automated and issued at set intervals following the generation of an invoice. CBW believed that this ensured their approach was reasonable and consistent. Text reminders were sent in between these letters. If an account remained outstanding after 91 days, it was automatically allocated to UDC. UDC were the internal debt collection for the Verastar group and shared the same Customer Relationship Management system and had access to the same information about customers.

32. CBW said that they were satisfied the non-payment charges placed on the account were reasonable. CBW said these were in line with their terms and conditions.

**(a) Decision**

33. In this section I have considered solely whether the communication and correspondence between CBW and Mr C was reasonable and appropriate to the circumstances. The issue of whether Mr C should have been billed by CBW is dealt with under complaint (b) and the handling of his complaint is considered separately under complaint (c).

34. At the outset, I should be clear that it is not unreasonable for licensed providers to correspond with their customers. It is also not unreasonable for licensed providers to pursue payment of outstanding invoices. It is important, however, that communication with a customer is appropriate, reasonable and accurate.

35. I have a number of significant concerns about this case.

36. The first relates to the actions of UDC. The correspondence from UDC to Mr C varies in format, but I note the letters he received in 2015 refer to his account having

been passed to UDC, in order to obtain payment. The letter states that UDC are acting for CBW. What the letters do not make clear, is that in fact UDC and CBW are part of the same organisation. CBW have not provided an explanation for the rationale behind this arrangement.

37. CBW confirmed that UDC was not a licensed debt collection agency and as such not subject to regulation by the Financial Conduct Authority (FCA). While I accept this technicality, it neither excludes nor precludes UDC from providing an appropriate standard of service in relation to recovery of debt. As they perform a debt collection function for CBW and the Verastar group of which it is a part, in my view, the guidelines on appropriate practices in debt collection from the FCA set out a reasonable standard against which their revenue collection practices can be judged.

38. The following are considered to be improper or unfair practices by the FCA.

- *Sending letters that look like court claims;*
- *Threatening to take court action in England if you live in Scotland;*
- *Using more than one collection company at the same time;*
- *Refusing to freeze action if you dispute the debt;*
- *Not explaining the reason for any visit and not giving notice of the time and date they will call; and*
- *Adding any unreasonable charge.*

39. I am conscious that the guidelines I am referring to are in relation primarily to creditors for individuals, rather than businesses. My view is, however, that they represent reasonable standards of behaviour against which UDC's actions can be considered, especially when the business is a sole trader, or effectively an individual.

40. In the evidence provided there are a number of letters from UDC to Mr C, which refer to County Court Claims being made against him. As no part of Mr C's business is based in England, this was both inappropriate and inaccurate in a Scottish context.

41. Mr C also received a number of letters from CBW threatening him with a visit from an 'Investigation Officer'. The letter said the Officer would attend Mr C's premises to discuss the debt with him and:

*'collect evidence to allow us to prepare for potential legal action. This will include identifying the value of your assets.'*

42. The charge for this visit was £80.00, rising to £96.00 once VAT was added. The letter went on to state that it was a legal requirement for an employer with staff to have running water facilities and that CBW would notify the Health and Safety Executive of any disconnection. As noted, the letters contained a 'pro-forma' invoice.

43. These letters were in my view, entirely unreasonable and inappropriate. There is no evidence provided that CBW at any point arranged for a visit by an 'Investigation Officer', or that there was a formal procedure for staff to do so. It is unclear what evidence would be gathered by such an individual should they have performed a site visit. The charges in dispute in this case were fixed charges. Meter readings are performed by a third party, and no employee of CBW would have any right of access to obtain evidence or assess the value of assets.

44. The letter was, in my view, misleading and given the context of the other evidence provided, it is difficult to conclude other than this was deliberate.

45. I note that there is no record in the internal customer database of this visit being proposed or arranged. CBW failed to provide more details on this aspect of their procedures when asked by my Complaints Reviewer.

46. Mr C continued to be contacted by CBW and UDC both after he had complained formally disputing the charges sought and after the case had been passed to my office. This included contact by UDC after my office had been informed by CBW that collection activity had ceased.

47. As part of the investigation, CBW provided recordings of telephone calls with Mr C from UDC. In the calls, the clear impression given by the UDC agent is that Mr C's account has been passed to a separate organisation. Although CBW told me that the two organisations shared customer databases and information, Mr C was told that UDC were not aware of his complaints and the UDC operative seems unaware that Mr C's case was being investigated by this office.

48. During the calls, Mr C informed UDC he had complained formally and that it was being investigated by my office. This decision is questioned by UDC and it is suggested to Mr C that he should speak to UDC, rather than pursue his complaint.

49. Mr C told my office that both CBW and UDC had written to a domestic address causing distress to his family. CBW justified this on the grounds that mail had been returned to them from the billing address.

50. While there was no evidence that Mr C had informed CBW that by writing to Mr C's home address they were causing distress to a vulnerable person, I note that Mr C had informed CBW clearly in January 2018 when he complained, that he would not respond to letters sent to that address. Having considered this particular issue carefully, however, there is no evidence that CBW continued to knowingly send correspondence that was causing a vulnerable individual distress.

51. Mr C also received letters which contained copies of court forms. One set was sent in August 2018, at which time CBW were aware that Mr C was disputing the charges he owed. The second was sent in April 2019, after CBW had been formally notified that my office was investigating Mr C's complaints. I note that whilst the court forms were for action in the Scottish Courts, Mr C was also still receiving letters (for example in October 2018), informing him that County Court Proceedings were to be taken against him.

52. Given the inconsistent, inaccurate and misleading nature of the correspondence sent to Mr C by CBW, I do not accept their suggestion that their automated systems result in a fair and proportionate approach to pursuing money which is owed to them. Nor do I accept that the actions taken by CBW could be considered the actions of a business reasonably pursuing payment. At best they were disorganised; at worst inadequate in failing to recognise the circumstances of a service user.

53. It is not acceptable for a licenced water provider to communicate with its customers in a way which misleads them. It is also unacceptable for a licensed provider to engage in communication with its customers which could reasonably be characterised as amounting to harassment.

54. I uphold this complaint.

**(b) Clear Business Water unreasonably billed Mr C for water**

*Concerns raised by Mr C*

55. As set out in the summary of the complaints correspondence, Mr C did not believe that CBW were entitled to bill him for water usage. Mr C denied having received any notification that CBW were to become his supplier and felt that he had been prevented from exercising his right to choose a licensed provider.

56. Mr C also told us that he believed the letter provided to him by CBW allocating them as his licensed provider was a forgery. Mr C said that he had analysed the electronic properties of the letter and believed this showed it had not been created by

Scottish Water and that it post-dated the date at which he was meant to have been sent it.

57. Mr C believed that CBW were attempting to double charge him, as they had switched from charging him for two units together, to attempting to charge him for two units separately. Mr C noted that he had invoices for account 916812 for Units F14 and F14 A, he had also received invoices for Unit F20 and F14A, under the reference CB957862. Mr C had returned these invoices to CBW, writing on them that he was not prepared to pay twice in 2017.

58. These invoices referred to Aimeria which stated that they were being produced following CBW's take-over of that company. Mr C said he had never had a contract with Aimeria, and that he had never paid a water bill to them.

*Clear Business Water's response to my office*

59. CBW said that Mr C was being billed according to the rateable value of the property. The rate used was an out of contract rate, as Mr C had never agreed to a formal contract after being informed CBW were his deemed supplier. CBW noted the rateable value was due to change and Mr C was being billed in line with the Scottish Assessors Association available.

60. CBW said they had received no correspondence or complaint about double billing. They were also not aware of a complaint about Aimeria, or any account related to Aimeria.

**(b) Decision**

61. Mr C's site was identified as a gap site by Scottish Water. Under the market regulations in place at the time, when a gap site was identified, it was allocated to a licensed provider. Mr C has questioned whether there is evidence to support CBW's claim that they were his allocated provider and said that as he never received notification of this process, he was unable to choose his licensed provider.

62. The available evidence supports that Scottish Water wrote to Mr C in March 2015. This letter would not have been sent via CBW and they would not have had any involvement in the process until they were allocated as Mr C's licensed provider. As the correspondence notes, this allocation process is a random one.

63. I am satisfied, therefore, that CBW are Mr C's licensed provider. Whilst I recognise Mr C's frustration and concerns having not received the relevant correspondence, this does not alter CBW's position.



64. Although I have noted Mr C's views about the authenticity of the letter he was sent, I do not agree there is compelling evidence that it was a forgery or that CBW were not his allocated licensed provider.

65. Mr C has also suggested that the charges being levied by CBW are unreasonable. From the summary of account provided by CBW, the charges remained constant between 2015 and 2017. The amount owed then changes, due to the dispute over billing and the addition of extra charges.

66. Of significant concern is that CBW's response to my Complaints Reviewer's enquiries was inaccurate. The evidence supplied by CBW includes copies of the invoices for the account which was originally allocated to them by Scottish Water, as well as the separate account originally allocated to Aimeria. CBW's statement, that they were unaware of any concerns about a former Aimeria account is, therefore, inaccurate. I note further that Mr C's complaint of January 2018 was explicit in its complaint about being double charged for water use.

67. I further note that CBW stated to my office that they were unaware of any complaint about an account previously held by Aimeria. In their response to Mr C of 14 May 2018, CBW told Mr C that they held two accounts for him, but they were satisfied there was no duplicate billing. One of these accounts had previously been held by Aimeria.

68. I will consider the implications for CBW's handling of Mr C's complaint under complaint (c). As matters stand, however, my view is that CBW have failed to explain clearly to Mr C what he owes on which account. Mr C denies ever having held a contract with Aimeria, and no evidence has been presented by CBW which supports their statements to Mr C in their letter of 14 May 2018.

69. In these circumstances, given the handling of the matter by CBW, I cannot be confident that he is being billed correctly.

70. I uphold this complaint.

**(c) Clear Business Water failed to handle Mr C's complaint reasonably.**

*Mr C's concerns*

71. Mr C said that the handling of his complaint had been very poor. He had been obliged to submit it repeatedly before CBW had actually responded to it. Mr C said this had never been acknowledged by CBW. Mr C felt the issues he had raised had either been ignored or minimised by CBW and that they had failed to provide evidence to support their decision not to uphold his complaint.

72. Mr C was also upset that despite formally disputing his bills with CBW, they had continued to pursue him for payment. Mr C felt that this was in breach of the requirements placed on CBW as his licensed provider. Mr C pointed out that he had continued to receive contact from UDC during my investigation.

73. Mr C also noted that some of the issues he had raised had never been responded to by CBW.

*Clear Business Water's response*

74. I note CBW told me that their debt collection processes were automated and that UDC had access to their customer service database. They shared a customer service database and both parties had access to customer accounts and system notes. CBW provided me with a print out of the customer service notes.

**(c) Decision**

75. From the evidence I am satisfied that Mr C was obliged to submit his formal complaint several times before CBW engaged with the substantive issues he was raising.

76. The chronology of this correspondence has already been set out in this report. It is clear that CBW received Mr C's letter in January, as they responded to some of the issues it contained. When CBW responded further in May to Mr C's complaint, they failed to acknowledge that it had already been submitted more than once.

77. In this respect, the handling of Mr C's complaint was unreasonable. Mr C's complaint did not alter between January 2018 and April 2018, and contained the same clearly delineated points of complaint. To fail to respond to these initially and to then ignore the fact that Mr C had already attempted to raise this complaint was a wholly unacceptable standard of complaint handling.

78. Mr C was also concerned that CBW had continued to pursue him for payment, even though he was disputing the amount that he was being charged. I note that

Mr C continued to be contacted by CBW and in particular, UDC, even after they had given my office an assurance that collection activity had stopped.

79. This continued activity meant that some of UDC's telephone calls were available to my office. I note CBW's response to this investigation stated UDC shared access to CBW's customer management system. In the telephone calls my office heard, there was no evidence that this was (or understood to be) the case. I am concerned, therefore, that the statements made by CBW about the integrity and transparency of their system are not supported by the available evidence. Either staff at UDC are unaware of the procedures they are meant to be following, or the statements CBW made in response to my Complaints Reviewer's enquiries were inaccurate.

80. As noted under complaint (b), CBW informed me that they were unaware of any complaint by Mr C about dual charging, or of issues relating to an account that was previously owned by Aimera. This was despite having responded briefly to Mr C in their letter of 14 May 2018, and the fact that the information submitted by CBW included bills returned to CBW by Mr C which he was clearly disputing.

81. Overall the handling of Mr C's complaint was characterised by delays, inaccuracies and confusion. In addition, CBW continued to act in what I consider to be an aggressive manner in their pursuit of payment; despite being aware that the bill was in dispute and that a complaint should have been under investigation. CBW's handling of Mr C's complaint fell below the standard expected of a licensed provider in the Scottish Water market.

82. I uphold this complaint.

## Recommendations

### Learning from complaints

The Ombudsman expects all organisations to learn from complaints and the findings from this report should be shared throughout the organisation. The learning should be shared with those responsible for the operational delivery of the service as well as the relevant internal and external decision-makers who make up the governance arrangements for the organisation, for example elected members, audit or quality assurance committee or clinical governance team.

In this case due to the severity of the failings identified and the fact that some of CBW's responses to this office's investigation were inaccurate or contradictory, further recommendations are being made in areas where the Ombudsman has previously identified learning for CBW and they have responded.

What we are asking Clear Business Water to do for Mr C:

Complaint number	What we found	What the organisation should do	What we need to see
(a) (b) and (c)	CBW failed to communicate with Mr C reasonably, and unreasonably attempted to bill Mr C for water without resolving his disputes	CBW should apologise to Mr C for the failings identified in this case.  This apology should comply with SPSO guidelines on making an apology, available at <a href="http://www.spsso.org.uk/leaflets-and-guidance">www.spsso.org.uk/leaflets-and-guidance</a> .	A copy or evidence of the apology  By: 20 April 2020

Complaint number	What we found	What the organisation should do	What we need to see
(c)	CBW had not properly investigated Mr C's complaint about double charging	CBW should ensure that they have the systems in place to ensure complaints are properly investigated. They should apply these to investigate Mr C's complaint that he had not previously received communication from Aimera and provide him with a clear summary of all the accounts they believe he holds with them, as well any records they hold of contact between him and Aimera	A copy of the response provided to Mr C.  By: 20 April 2020
(a) (b) and (c)	CBW had not made an offer of goodwill which took into account all the failings identified by this report	CBW should confirm and review their offer of a goodwill payment to Mr C, so that it encompasses the failings identified in this report and in their investigation of the complaint about communication from Aimera	A copy of the revised offer of goodwill, together with evidence of how it has been calculated, when it was offered and how it was paid.  By 20 April 2020

We are asking Clear Business Water to improve the way they do things:

<b>Complaint number</b>	<b>What we found</b>	<b>Outcome needed</b>	<b>What we need to see</b>
(a)	CBW threatened visits from an Investigations Officer, although there was no locus for on-site investigation	CBW should have systems in place to ensure they only issue correspondence which accurately reflects their billing and complaints process	Evidence that these systems are in place and have been communicated to all staff responsible for revenue collection.  By: 20 April 2020
(b)	CBW had issued copies of court documents, when they were not engaged in legal action	CBW should only issue documents that accurately reflects their billing and debt recovery process and the actions they are taking	Evidence that this change has been communicated to all staff responsible for revenue collection and that the necessary procedures are in place.  By: 20 April 2020

We are asking Clear Business Water to improve their complaints handling:

Complaint number	What we found	Outcome needed	What we need to see
(c)	CBW's complaint handling fell below an acceptable standard	CBW should respond timeously and comprehensively to complaints following the principles of SPSO's Model Complaint Handling Procedure.	Evidence that CBW has appropriate complaints handling systems in place, and that these have been communicated to relevant staff who are adequately trained to apply them.  By: 18 June 2020.

### Evidence of action already taken

In response to other complaints upheld by this office, Clear Business Water told us that they had already taken action to fix various problems we had identified. We will ask them for evidence that this has happened:

Complaint number	What we found	Outcome needed	What we need to see
(a)	CBW's and UDC's communication with Mr C was inaccurate and misleading in its references to English Court proceedings	CBW have updated the correspondence they and UDC issue, to ensure it accurately reflects the jurisdiction they are operating in	Evidence that CBW have implemented a form of quality assurance, which allows them to monitor whether their updated procedures are being followed.  By: 20 April 2020

Complaint number	What we found	Outcome needed	What we need to see
(a)	UDC continued to pursue Mr C for payment after he had raised a formal complaint and after CBW were aware SPSO was investigating their complaint	CBW have updated their process for pursuing payment to allow a stop to be put in when a complaint has been raised.	Evidence that CBW have implemented a form of quality assurance that allows them to monitor whether procedures are being followed.  By: 20 April 2020



**Terms used in the report****Annex 1**

Aimera	a water company acquired by Clear Business Water in 2017
CBW	Clear Business Water
pro-forma invoice	non-business specific invoices attached to correspondence from CBW threatening site visits by an Investigations Officer
Room 1	room F14A, a small storeroom used by Mr C
Room 2	room 15, Mr C's main office
Scottish Assessor's Association	responsible for determining the rateable value of properties in Scotland
UDC	Universal Debt Collection, responsible for pursuing payment for the Verastar group, which includes Clear Business Water
FCA	Financial Conduct Authority