

Water







This is one of a series of reports through which we are continuing to put key messages, information and analysis of complaints into the public domain.

We expect water providers to use this report to enhance their learning about the issues the public bring us about water services in Scotland and about the quality of their complaints handling. We anticipate that Parliamentary committees, government departments, regulators and other improvement and scrutiny bodies will use it to identify issues arising from the complaints we see.

Equally, we hope it will prove useful to members of the public, and the advice and advocacy groups that represent them, by providing information about the kinds of complaints that are escalated to the SPSO, how we handle them, and how we put things right through our recommendations, where we can.

December 2014

Contents

	Ombudsman's introduction	4
	Casework	6
	Case studies	13
	Water cases determined 2013/14	18

Ombudsman's introduction

This is our second full reporting year for complaints about water and sewerage providers since we took on the jurisdiction following the abolition of Waterwatch Scotland in August 2011. With over two full years of handling water complaints, we are able to reflect further on the volume and types of complaints we receive and provide clearer analysis and learning to help providers drive improvement in the provision of their service.

Volumes and issues

In my annual report for 2013/14 I reflected on the fact that, as an office, we had received a record number of complaints, up 8% on the previous year, and 2013/14 was the fifth consecutive year we have seen an increase in complaints. It is, therefore, pleasing to report that the water industry is out of step with that trend with a 17% reduction in complaints to SPSO about water providers in 2013/14 and complaints about both Scottish Water and Business Stream reducing on the previous year (by 25% and 14% respectively). Business Stream was the only licensed provider about which complaints reached our investigation stage in 2013/14.

Another positive trend is a slight drop in the rate of premature complaints which is now at 37%. This remains significantly below the high rate of 56% in 2011/12 in the initial period following the transfer of water complaints to SPSO. It is frustrating for the public to have to go back to a service provider after bringing a complaint to us too early and a high rate is often a sign that it is difficult to either find or complete the complaints process. I would hope to see this rate continue to reduce.

A less positive trend was the fact that there was an increase in the rate of complaints where we upheld all or part of the complaint, with an increase to 52% from 45% last year. This trend relates to the non-domestic market: 44 of the 47 upheld cases were about Business Stream (accounting for 54% of the complaints we investigated about them); only three were upheld in relation to Scottish Water.



Throughout the year we have engaged with Business Stream to help them address this and to improve their complaints handling, and we will continue to do so. In my report last year I had cause to congratulate Scottish Water for their good customer service and I commend them again this year, and for the resulting significant reduction in complaints to us about domestic supply.

Of the 292 complaints made to us about providers, billing and charging remains the most common subject of complaint, an issue relating primarily to non-domestic properties. Complaints in this area increased by 18% on the previous year despite the 17% drop in complaints overall. The other top areas of complaint remained the same, with complaints about water supply and waste water remaining stable on last year. Overall, we continue to receive significantly more complaints from non-domestic than domestic users, with 70% of complaints coming from business users. Later in this report, we reflect on some issues in complaints from small businesses, who were often unclear about their legal obligations in relation to choosing a provider and informing a provider that they have moved into business premises.

In a number of cases, over and above the underlying area of complaint, we found inadequacies in complaints handling, including where we did not find anything wrong in the main issue about which the person complained to us. This is a source of frustration for complainants, unnecessarily aggravating their concerns about the underlying service.

Ombudsman's introduction

Further attention is given to all of these issues in the casework and case study sections that follow.

Sharing the learning

To ensure transparency and to help facilitate the sharing of learning from the complaints we receive, we continue to publish our decisions where we are able to do so. In 2013/14, we reported 89 complaints about water to the Scottish Parliament and made these available on our website, including 102 recommendations for redress and improvement. Making these reports public allows providers to analyse trends and identify potential improvements they can make to reduce any common failings. Similarly, customers can see the kinds of complaints that are made about water and sewerage services and find examples of the kinds of redress we are able to recommend when we see something which has gone wrong and uphold a complaint. This information helps customers understand the value of complaining and provides a basis for providers to analyse, learn and drive improvement and demonstrate to their customers that they value complaints.

Throughout the year we have continued to work with Business Stream and Scottish Water to ensure that the learning from complaints we receive is used effectively and that key trends in complaints are monitored. We also engaged with the Water Industry Commission and wider stakeholders involved with customer issues, including through the Customer Forum, at which we presented casework trends and analysis, and the Outputs Monitoring Group which meets quarterly and was set up by Scottish Ministers 'to ensure that appropriate arrangements are in place to monitor the delivery of Ministers' objectives for the quality and standards investment programme'.

Looking ahead

Despite new entrants to the market, Business Stream remains the single largest licensed provider of non-domestic water and sewerage services. Given their significant share of the market, it is not surprising that last year we considered only three complaints about a licensed provider other than Business Stream. Since 2012/13, however, six new licensed providers have opted to come under our jurisdiction (Clear Business Water, Blue Business Water, Castle Water Ltd, Commercial Water Solutions Ltd, Real Water, and Severn Trent Services). This takes the current total to 12 and clearly indicates a change in the market place which we will monitor to identify any change in the profile of the complaints we receive. In addition, as the number of providers under our jurisdiction grows, we are keen to engage with the sector as a whole to ensure that their complaints handling is achieving the appropriate standard and in line with the work on improving complaints standards we have undertaken in other sectors.

Similarly, we will continue to monitor changes in complaints arising from the Water Industry Commission's Strategic Review of Charges 2015–21. We recognise that there are a number of proposals that could affect water customers including some small third sector organisations and vulnerable people with household debts and in relation to vacant non-domestic properties. We will engage with the sector and the Water Industry Commission where significant issues become apparent.

I hope that this report will prove a useful source of information and learning for all providers and furthers the goal we all share of improving the quality of the services provided to the public.

Jim Martin, SPSO



Casework

Complaint numbers

In 2013/14 we received 292 complaints about water authorities – 17% fewer than in 2012/13.

The 292 complaints we received made up 7% of the total complaints we received about all public authorities during the year, compared to 9% of the total last year. We dealt with 314 complaints, some of which we had carried forward from 2012/13.

Premature complaints

Premature complaints are ones that have not completed the organisation's procedure before they come to us. During 2013/14, the percentage of premature complaints that we received about water providers dropped again slightly from 38% to 37%. This is welcome, although there is still some work to do as it remains above the overall rate across all sectors, which is 34%.

Top areas of water complaints received 2013/14

Subject	Number of complaints received	As % of all water complaints received
Billing and charging	197	67
Water supply	45	15
Waste water	26	9
Customer service	9	3

The top areas complained about remained in exactly the same order as last year. Billing and charging was again the most significant area of complaint by far and, despite the drop in overall complaints received about water authorities, we received almost 18% more complaints about this area than we did last year.

In 2012/13 the figures showed that we received more than twice as many complaints from non-domestic water users than domestic users, with 68% of complaints coming from businesses. In 2013/14, this proportion changed little, with complaints about the non-domestic sector

totalling 70% of all those we received. The cases we saw continued to show a lack of understanding of the user's responsibilities, and we provide some explanation about and examples of this later in this report. We saw particular evidence of this lack of understanding in complaints from small businesses, who were often unclear about their legal obligations in relation to water services and choosing a provider.

Water complaints received by authority

Subject	Business Stream	Scottish Water	Aimera Ltd	Total
Billing and charging	182	13	2	197
Water supply	11	34	0	45
Waste water	2	24	0	26
Customer service	5	3	1	9
Environmental concerns	0	2	0	2
New connections	0	2	0	2
Other/subject unknown/out of jurisdiction	5	6	0	11
Total	205	84	3	292

Although we can now take complaints about a range of providers operating in the Scottish water market, almost all of the complaints received, and all of those we took forward, were about either Business Stream or Scottish Water, with the majority of these being about Business Stream, who supply the non-domestic market.

As is the case in other sectors, we can call on advisers for specialist independent advice to support us in our investigations. We have two water advisers who provide input on hydrological and technical issues. We remain responsible for the decisions made on each complaint, and we are careful to ensure that we test the advice we receive and that it is of the highest quality.

There is a table at the end of this report showing the outcome of all the complaints we determined during 2013/14. We closed 224 complaints at the early stages of our process, mostly because they had come to us too early, or because they were about something we could not investigate. We fully investigated 90 complaints about the sector, including some carried over from the previous year. We published 89 of these on our website, including two detailed investigation reports, both of which are featured as case studies later in this report. We usually publish these detailed reports when the individual injustice is particularly severe or there is a particular issue we want to highlight.

We upheld 47 of these investigated complaints either in full or in part – 52% of all those we investigated in detail. This was a higher uphold rate than last year, when we upheld 45%, and is above the overall rate for all sectors of 50%. As the Ombudsman highlights in his introduction, 44 of the 47 upheld cases were about Business Stream, continuing the trend we observed last year, where both the numbers of complaints received and the rate of complaints we upheld were significantly higher in the non-domestic sector.

Resolving problems

Water authorities often respond positively after we take up a complaint, and sometimes we do not need to carry out a full investigation in order to get something fixed for a member of the public. We resolved 21 complaints this way in 2013/14.

One example was where, after a number of years, a man had managed to resolve his billing issues, and Business Stream had refunded him an amount he had overpaid (case 201205147). He then complained to us about the time they took to deal with this, and thought he should receive interest on the amount he had overpaid. It is not for us to decide whether payment was due, or how much it might be, but after we became involved Business Stream agreed to make him a payment as a goodwill gesture.

In another case, a man complained to us that his

water bills were too high because his business had not had a water meter fitted (case 201301304). He had raised this with Business Stream, but they had not acknowledged the problem. When we approached them, they reviewed his complaint and realised that they should have arranged to fit a meter. They credited the complainant's account with the amount they calculated he had overpaid over the years.

In a third case a woman complained to Business Stream that there was an interruption to a business water supply while water mains were being replaced, yet the water charges were well above normal (case 201304731). She said that Scottish Water had not given advance notice of the work, and that the contractors had said they were unaware they had caused a problem. When we took this up with Business Stream, they said that customers should receive 48 hours' notice of planned works that might affect the water supply and told us that Scottish Water maintained that no works had been carried out there. However, the complainant had given Business Stream evidence that a neighbour had received notice about that time, and they had not followed this up, so they told us that they would investigate this. They also offered, as a goodwill gesture, to reduce the disputed invoice to the usual charge, and to apologise.

Finally, after a pipe burst in a man's business premises, he complained to us about the way Business Stream calculated a reduction in his bill (case 201302585). After we got in touch with them with additional evidence from him, Business Stream agreed to further reduce his bill. They also agreed to cancel a recovery charge they had applied to his account. The man accepted their offer and withdrew his complaint.



Billing and charging

This was the area about which we received most complaints, the majority of them about non-domestic properties, and one in which we were able to help provide appropriate redress where members of the public received incorrect bills. In some cases this meant a big financial difference for people and their organisations. For example, a man complained that Business Stream had incorrectly billed his organisation (case 201204614). They did not uphold his complaint, but when we asked them to look at it again, they found they had made an error. When they corrected this, it reduced the debt from about £10,000 to nearer £400.

Another complaint, which we upheld and in which we were able to get a man the redress he deserved, also arose from a billing issue (case 201104141). The man had disputed a meter reading, as he said it was impossible for him to have used the amount of water for which he had been billed. He was told that his account would be put on hold, but Business Stream took full payment of the invoice. Although for two years the man asked them repeatedly to investigate what had happened, they did not do so, and they did not investigate his complaint about this property until we became involved. Because of the time that had passed we could not establish whether or not the man had used the disputed amount of water, but we found significant failings in the way that Business Stream handled his complaint. We made a recommendation for financial redress, calculated as a percentage of his bill, to reflect their poor service.

Water provision and billing – water users' responsibilities

Earlier in this report we mentioned that small business owners are not always aware of their legal obligations about water provision. Many do not realise that they are responsible for telling a provider that they have moved into business premises. They are also responsible for keeping an eye on their own consumption, looking for anything that may indicate a problem, such as unusually high bills or meter readings. Every year people receive unexpected bills and complain to us that they did not know that they were due to pay water charges, or that a water provider has not told them

or has taken too long to tell them that charges are due. We often see cases where a business has been in a property for a number of years but Business Stream were not aware that they were using the premises and have never previously billed them for their water usage (this is known as a 'gap site'). Business Stream are auditing these sites, sometimes using third parties to do so, and as this happens, bills are sent out, sometimes after some delay and often unexpectedly.

There is clearly some misunderstanding in the business community about the situation, and in this report, we want to make it clear what should happen. Businesses are responsible for establishing their water supply arrangements and telling a licensed water provider that they are using premises. When this does not happen, the licensed provider may take some time to realise the formerly vacant property has been re-occupied. However, once this occurs, they can issue a bill for water services, which can be backdated to the date of entry. Where there is no water meter, they charge for water according to the rateable value of the property. A business can apply for their charges to be reassessed, when a more accurate estimate of water use is made based on the staff and premises, although this can only be backdated to the date they make a formal request for this reassessment.

We upheld a complaint about a delay in charging for water in a case where a man had thought that water charges at his business premises were his landlord's responsibility (case 201202800). The premises were identified as a site where payment should have been made for services in January 2011, but Business Stream, the licensed provider, did not contact him until May 2012, when he unexpectedly received a large bill based on the rateable value of the property. The man applied for reassessment, and this ended up in a credit being applied to his account. Although there was a responsibility on him to ensure he was paying for services, the long delay in issuing the initial bill after Business Stream were aware he should be making payments meant that the man could not apply for reassessment during that time. Given this shared responsibility, we said that Business Stream should consider crediting him with half the difference between the original charges and the reassessed charges for that period.

Dual use properties / Shared supply

We have had complaints, most often where a small business is run from home, where people have told us they are concerned they are being charged twice for water, through their council tax and by the water provider. What should happen in such cases depends on the individual circumstances. When coming to a decision about these complaints, we look very carefully at the position and the rules that the licensed provider has to follow. Sometimes a premises may be wrongly categorised, as happened in the following case.

Two men owned a restaurant and the flat upstairs (case 201301088). They complained to Business Stream that the restaurant's water meter also measured the consumption in the flat. Although they knew that they had to pay commercial rates for their restaurant's water consumption, they said they were paying for the water in both the restaurant and the flat at commercial rates. 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'. Their policy said that all consumption (including that of the flat) was charged commercially and the restaurant could recharge the flat for its share. They also explained that the men could ask for the water charges to be removed from the flat's council tax. Although Business Stream had billed the men in accordance with their policy, when we took all the evidence into account we did not consider that the policy applied here. 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 upheld the complaint as we took the view that this should not be classed as a dual use property.

Another area where complaints and their solutions can be complex is that of problems related to a shared water supply – i.e. when there is more than one user of a single water meter. This usually happens when the pipework for a commercial property goes on to serve another (often residential) property or properties that are not under the control of the business. These can look similar to dual use complaints but may raise even

more difficult issues. Often the person with the meter in their property does not realise there is an issue until they receive a bill that is much larger than expected. Water users are responsible for their own water use but the area of the property in which the meter is situated will normally be held responsible for the bill. People in residential properties beyond the commercial property may also be paying for water through their council tax. In some cases they are told they need to ask for this to stop, and to enter into a private payment arrangement with the person whose property is being metered and charged. This is not, however, always the right solution. Some of the examples below illustrate how varied and complex this can be.

A man moved his business into new premises in 2005, and Business Stream created a water account in December that year (case 201205165). In 2013, the man noticed that his bills had suddenly increased, and discovered that the pipework was shared with nearby residential properties. Business Stream told him that their policies meant that they would treat his premises as dual use (see relevant section above), and he would be billed for all the water used and would have to sub-charge the residents for their share. As these people were already paying for water through their council tax, Business Stream said he would have to ask the residents to cancel those charges and have any amounts paid refunded to him. When we looked at the complaint, however, we took the view that his property did not fit the dual use model. Business Stream's policies did not address his situation and there was no way to allow customers in his position to have their meter relocated or a secondary meter fitted. We considered it unfair that this meant that he, as a customer, needed to make complex arrangements with other people to charge for water that was already being paid for through council tax. We upheld his complaint, and said that Business Stream and Scottish Water did not do enough to find a common sense solution. Among other things, we recommended that they reconsider his case to find a solution and reconsider their policies.



Key figures in water complaints 2013/14

We received **292** complaints and dealt with **314***

The rate of upheld complaints was **52%**, up from 45% last year, and above the overall rate of upheld complaints across all public authorities of 50%

The rate coming to us too early dropped slightly from 38% to **37%** (overall rate is 34%)

People who received advice, support and signposting **183**

Cases decided after detailed consideration pre-investigation **41**

Complaints fully investigated **90**, with **89**** publicly reported to the parliament during the year

We made **102** recommendations for redress and improvement

* There is some carry forward each year.

** Some cases published in 2013/14 will have been handled in 2012/13. In a small number of cases, we do not put information into the public domain. This is usually to prevent the possibility of someone being identified.

In a second case, a woman had a water meter installed on her business premises (case 201204466). When the use of the shop next door changed, at first she noticed no difference, but then she received a very large bill. When she contacted Scottish Water and Business Stream, it turned out that her water supply was shared with the shop, which was on unmeasured charges. After Business Stream realised that the supply was shared and the metered consumption was accurate, they acted properly. They put recovery action on hold and encouraged the woman to reach a private agreement with the proprietor next door (which was in this case appropriate). Although we did not uphold her complaint, we recommended that Business Stream consider putting a further hold on the recovery action and share our decision with Scottish Water so that they could make the licensed provider for the other premises aware of the circumstances.

In another case, a man complained that he had been unfairly paying for water used by the flats above his property for ten years (case 201205211). He said that, in 2003, Scottish Water wrongly installed a water meter at his business. When he found out about this in 2012, he contacted Business Stream. They said that the meter was installed correctly, and would not be removed or re-sited. We found, however, that Business Stream had wrongly categorised his business premises as being dual use. The properties were not connected and the people in the flats had in fact been paying for water through their council tax. Business Stream had said he should contact the flat owners and ask them to request a refund of their council tax, to then pass to him to pay the water bill. We said that this was unfair – as his property was wrongly categorised, he had paid for water he had not used and Business Stream had not done enough to sort this out. As well as apologising, we said they should consider backdating his revised billing arrangements to 2003 and reinstall his meter so that it only recorded his own water consumption.

Water meter complaints

Complaints about water meters most often occur when someone finds that their meter reading is unexpectedly high. Their first reaction is often that the meter itself is faulty, although this is not always

the reason for the high bill, and there may be another explanation. In one such case a solicitor complained to us on behalf of the owners of a farm (case 201202881). He said they had received an abnormally high water bill and that the meter must be faulty as they were sure they had not used the amount registered on it. Business Stream arranged for the meter to be checked, but said it was functioning normally. Our water adviser said that the most likely cause of the high meter readings was air pockets or debris escaping from the water system following repairs to the water main near the farm. The solicitor had provided evidence that should have highlighted these as potential issues, but as we could not see that Business Stream had looked into this we said they had not done enough to investigate. We found it unreasonable that the farm should bear the full financial burden of something that seemed likely to have been beyond their control, and recommended that Business Stream recalculate their average daily consumption and credit their account with a relevant amount.

In other cases, the meter may not have been read as often or as accurately as it should have been. An example of this is where a man complained that for three years Business Stream did not read the meter for a village hall (case 201203651). He said this meant that he did not know that there were in fact two meters or that there had been a significant increase in consumption. Our investigation discovered that Business Stream had taken some meter readings for the hall, but in the year before the rise in consumption they had not taken two actual readings as they should have done. They had also issued invoices for only one meter and had not identified its location correctly. They had since sorted this out and decided not to backdate charges for the second meter to when it was installed. However, we found that if the invoices had accurately described the location the man would have been able to identify that there were two meters, not one, and would have been able to monitor them. Because Business Stream had not read the meters in line with their policy, we could not identify when the increase in usage occurred, so we recommended that they apologise and consider crediting the account with an amount equivalent to 50% of the increased water usage over a particular period.



Complaints handling

During the year we saw a number of cases where we identified poor complaints handling, often as a secondary issue in a complaint about something else. In one particular example, which is the key case study that follows, we found that a water provider had not listened properly to the complaint that a man made on behalf of a client. Instead of dealing with what was essentially a straightforward complaint, staff missed the point. They seemed to focus on whether he was entitled to ask what he was asking, misunderstood which party he represented and several times told him they could not discuss the matter with him. Because of what we found in our investigation into this case, we made a far-reaching and relatively unusual recommendation that Business Stream have their complaints handling independently audited.

Key case study

Billing and complaints handling

A man complained on behalf of a client when a meter for another property was attached to his client's water pipe without permission. The client had installed and owned the pipe and Business Stream charged for the water it supplied. The man explained that there was already a private arrangement between his client and the property owner about water supply. Although he provided evidence to support this, Business Stream misunderstood his concerns, and said several times that they could not discuss the property owner's bills with him for data protection reasons. We found that, six months after he complained, the man was still having to explain his complaint and who his client was, there was extensive and needless correspondence about this, and his concerns were not answered clearly. We therefore recommended that Business Stream reimburse his client's fees for his work for the four month period after it was known that there was a second meter on the pipe.

We also found their complaints handling poor, and their responses to us insufficient, given the information available to them. Although they accepted they had taken too long to deal with this we were concerned by their failure to understand the man's complaint, and on whose behalf he was complaining, despite his repeated explanations. Although they put new procedures in place, we did not consider that they had fully addressed the problem. Staff had not listened properly to what the man said and had not provided clear responses to him or to us. Among our recommendations we said that they should carry out an independent audit of their complaints process, and how they apply it.

Case **201300283**

anything wrong in the main issue about which the person complained to us, we found inadequacies in complaints handling. In the first, a man complained that Business Stream refused to award a 'burst allowance' following a leak at a property (case 201202828). He was also unhappy with the way they handled his complaint, which he said caused him additional work and inconvenience. We found that it was in fact Scottish Water who decided to reject the allowance. They had decided that too little excess water was used to merit awarding it, which they were entitled to decide under their procedures for dealing with burst water pipes. We did find, though, that Business Stream had not investigated his complaint for some eleven months. Although there were a number of complex issues investigated, we found it unreasonable that they took no action on the complaint. We recommended that they apologise and cancel the recovery charges that they applied to the man's account while he was waiting for their response.

In the second case, a company occupied two sites, one of which contained a factory with separate offices (case 201205404). The factory went out of use in 2006 and was demolished in 2011, when the owner paid Scottish Water to install a new supply point and a new meter for the offices. He then received a separate water bill for that site, backdated five years, as since 2006 he had only been charged for the other site. He complained that the bill was wrong, that he repeatedly had to chase up the complaint and when he did get a final response it was incorrect. We found that the bill was supported by meter readings, the amount charged was not excessive and that Business Stream's predecessor had closed the account in error. We did, however, find that Business Stream did not deal with the complaint well. The man disputed the invoice as soon as he received it and repeatedly phoned about it, but did not receive a written response for nine months. Business Stream had taken over a year to send their final response, which was then inaccurate. We found that they had not established the facts around the case before trying to close it and prolonged it unnecessarily by not treating it as a complaint. We recommended that they apologise and recognise the man's time and trouble by crediting his account with 10% of the outstanding bill.

Case studies

This is a selection of case studies from investigations we published for 2013/14.

Some illustrate the double injustice that can happen when a poorly delivered service is compounded by poor complaints handling. Other case studies are included to show some of the positive actions that organisations take in response to complaints. To share this good practice, in the report on our website we normally highlight where an organisation has taken such action. Others are included as examples of where organisations have delivered a service and investigated the complaint properly.

These case studies are brief summaries and may not contain all the information we published about the complaints. You can find more information online at www.spsso.org.uk/decision-reports.

Customer service – poor advice and complaints handling

When a woman moved between business premises, she was unhappy with the advice Business Stream gave her about the difference between a metered and an unmetered property. She said this resulted in her paying almost twice as much. She said that when she realised this, she arranged for a meter and a repayment plan, and discussed reducing the payments. Despite this arrangement, a collection agency then contacted her about the debt. When she complained, Business Stream told her that the sum agreed for repayment was too small, and she could not have the bill reduced through reassessment.

The woman complained to us that they didn't give her clear advice about having a meter fitted, and didn't address her complaint. She said that she was told in a phone call that it wouldn't be to her benefit to have a meter installed, but we couldn't confirm this because Business Stream had no record of the call. We found that she'd received an email telling her to check their website for information about applying for a meter, which in principle met the standard of service required. However, we took the view that if, as she claimed, she was told that installing a meter wouldn't benefit her, it would be understandable if she did not check this out with any urgency. We upheld her complaints because of the failures to note the phone conversation and to respond to her complaints. We took into consideration that Business Stream did not respond to this when we asked them to comment. Among other recommendations, we said they should improve their record-keeping, and investigate her complaint properly. We also said that they should make her a payment for not responding to it, and consider a further payment if their investigation showed that this was appropriate.

Case **201204450**



Billing and charging

A man rented an industrial unit, which had a water meter. He told us he had heard nothing about water charges until he got a bill reminder about four months after moving in. He said he hadn't received the bill and in any case the meter number and reading were wrong. The water company said they would investigate, and eventually sorted this out, but only after he had chased them about it for nine months. A debt recovery agency also tried to get payment for the disputed amount from him, even though his account was meant to be on hold.

We couldn't see why this was so difficult to sort out. Business Stream had not followed this up, and only did so when the man contacted them. They had already reduced his bill because of the delay but we didn't think that they had reduced it enough in the circumstances. We recommended a further payment, an apology and that they send us evidence of what they had done to stop this happening again.

Case **201204157**

Delay in resolving blocked sewer and complaints handling

A man complained that in 2010 the sewer to his factory blocked, and was not properly cleared for eight working days. As the business couldn't operate without discharging waste into the sewer, the factory had to close and then incurred overtime costs catching up with the work backlog. Scottish Water refused his application for compensation, as they said that the blockages were caused by waste from the factory. The man then withheld payment from Business Stream of the amount he thought he was due, and they chased him for payment for around 18 months without resolving the matter. In March 2012 he eventually received a letter saying that we were his only option for further review.

While the initial response to the blockage was reasonable, it took too long to identify the problem and the equipment to fix it was not brought on site quickly enough. Communication with the man was poor, and he only received one update. We do not establish liability for financial loss, which is normally a matter for the courts, but we upheld the man's complaint as we found Business Stream's actions unreasonable. They had allowed the matter to remain open for two years as they had not made it clear quickly enough that they would not consider his complaint. They had not kept accurate records of meetings with the man, and at times asked him for information about Scottish Water's contractors. We also found that Scottish Water's code of practice did not appear to distinguish between domestic and commercial properties, and recommended that Business Stream apologise for the poor customer service, review the case and draw Scottish Water's attention to the lack of differentiation in their code of practice.

Case **201203305**

Delay in opening account

A woman complained that, although the business for which she worked told Business Stream that they would be moving premises, there was a delay before they received the first bill for the new premises. That meant that the business was charged on a more expensive rate for longer than would otherwise have been necessary.

When we investigated this, Business Stream disputed that they were told of the move in advance, and we found no evidence in their files that this happened. They did, however, acknowledge that when they were told of the move they didn't open an account for the new premises for some months. This meant that the business didn't have the chance to apply earlier for charging at a better rate, and in recognition of that Business Stream offered them an ex gratia payment. We considered this to be a good outcome, and closed our file without coming to a decision on the complaint.

Case **201205252**

Flooding

A man complained on behalf of his neighbour that Scottish Water said that there was no evidence that water coming in under her property was caused by their sewerage network. The property was beside a beach and Scottish Water said that the flooding could have been caused by seawater. We noted that they only have funding to deal with issues where their sewers overflow and cause internal flooding to a property.

Our investigation found that there had been external sewage flooding around the house. We said that if the flooding was considered to be external, and the man's neighbour had agreed that it was, then Scottish Water's actions would have been reasonable. However, we found evidence suggesting that water under the bedroom floor had damaged skirting boards and internal plasterwork. There was also a report of odour, and damp meter readings were very high. We found that Scottish Water should have looked further into the reports of internal flooding and, if they identified that this had happened, they should have taken further action. We recommended that they apologise for failing to do this, and that they investigate further to see if the internal flooding was caused by the sewerage system, assessing both the cause of the flooding and the risk of it happening again.

Case **201104832**



Billing and complaints handling

A woman who owns a holiday cottage complained after Business Stream told her she had an outstanding water bill. At the time she was not aware that she had to pay them, believing that she paid this through her council tax. Business Stream found that her account was set up with the wrong start date, and issued a corrected invoice. They then sent an invoice showing that the balance had been cleared, and she closed the account and transferred to another water provider. Business Stream then sent her an invoice with a large outstanding balance. The woman complained again and was offered a goodwill payment, but she was still unhappy and complained to us that they had unreasonably pursued her for the amount due and had not dealt with her in a professional way.

We found that although the woman had acted in good faith, unfortunately the council had given her inaccurate advice about water charges. We also found, however, that the goodwill payment had not been processed. Although Business Stream did do this after we became involved, they did not apologise to Mrs C for the failure. We also found that they repeatedly issued invoices without any explanations, issued them in an order that was confusing and had not acknowledged or apologised for the time and trouble they had caused the woman. We said that they should apologise for this, make her a payment for her time and trouble and ensure that in future corrected invoices have an explanation with them.

Case **201204561**

Customer prevented from changing supplier

A man complained that he had wanted to change water supplier but could not as his account was not tradable (this is a particular status that a water or waste water connection must have in the market to allow a bill to be issued). He also complained that Business Stream then delayed in advising him that his account status had changed, applied a recovery charge, and pursued recovery action when they had told him none would be taken.

We found that the delay in the account becoming tradable had indeed prevented the man from changing supplier, and that Business Stream had delayed in telling him this had been sorted. They had, however, already apologised, removed the recovery charge and placed a credit on his account in recognition of the inconvenience caused to him. They also explained that they made an initial recovery charge because they received incomplete information, and a payment Mr C had made had not been applied to his account. They had removed the charge after Mr C sent them information. When, however, later payments were not made to his account there was no evidence that they told him that they would not take normal recovery action at that point. We recommended that Business Stream provide further redress by crediting the man's account with 50% of the outstanding balance.

Case **201301596**

New customer billing

A man complained to us that his wife's business suddenly received an invoice from Business Stream for over £3,000 for three years' water services. He said that she was not approached by Business Stream or anyone acting on their behalf, although the business was open for long hours every day. He said that a third party company used by Business Stream to trace the occupiers of commercial properties had inappropriately approached their neighbours, and Business Stream had then issued an invoice without getting in touch by phone or letter.

We found that Business Stream had no policy setting out what is expected of those whose job it is to trace the customer responsible for a property. They told us, however, that initial contact would always be direct with the customer, but confirmed that a third party had spoken to a neighbour. We found no evidence that there was any difficulty in contacting the business, and that Business Stream's expectation of how a third party company would operate was not met in this case. We agreed that it was unreasonable to issue an invoice without first contacting the business. Among other recommendations, we said that they should make a deduction from the water account, put in place a procedure for third parties to follow when making these enquiries, and provide explanations when issuing new customers with a first invoice.

Case **201204030**

Incorrect billing

A man complained that Business Stream did not bill him correctly or handle his complaint appropriately. We found a number of errors in his bills. His meter was exchanged, but there was then a delay in issuing bills based on the replacement, and when this was corrected, Business Stream used the wrong rate for his waste water charges. This meant a significant increase in his bills over the next two years. When this was corrected, a further bill was based on an incorrect meter reading. In view of all these errors, we upheld his complaint. We also found that they had responded to his complaints, but had delayed in issuing the response. In their update letters, they had then provided response timescales that they were unable to meet.

However, we found that Business Stream had corrected all this before he complained to us. They had written to him to apologise and explained that they used complaints to improve the service they provide. They also credited a payment to his account as a gesture of goodwill for the inconvenience that the matter had caused him.

Case **201302519**



Water complaints determined 2013/14

Stage	Outcome	Billing/charging	Customer service	Environmental concerns	New connections	Other	Waste water	Water supply	Subject unknown/out of jurisdiction	Total
Advice	Not duly made or withdrawn	32	2	0	0	1	3	8	1	47
	Out of jurisdiction (discretionary)	1	0	0	0	0	1	1	0	3
	Out of jurisdiction (non-discretionary)	0	0	0	0	0	0	0	0	0
	Outcome not achievable	13	1	0	0	2	4	5	0	25
	Premature	69	3	2	1	1	6	20	6	108
	Resolved	0	0	0	0	0	0	0	0	0
	Total		115	6	2	1	4	14	34	7
Early Resolution 1	Not duly made or withdrawn	1	0	0	0	0	1	1	0	3
	Out of jurisdiction (discretionary)	4	0	0	0	1	1	1	0	7
	Out of jurisdiction (non-discretionary)	3	0	0	0	0	1	1	0	5
	Outcome not achievable	2	2	0	0	0	0	1	0	5
	Premature	5	0	0	0	0	1	3	0	9
	Resolved	10	1	0	0	0	0	1	0	12
	Total		25	3	0	0	1	4	8	0
Early Resolution 2	Fully upheld	7	0	0	0	0	0	0	0	7
	Some upheld	6	0	0	0	0	0	0	0	6
	Not upheld	7	0	0	1	0	2	1	0	11
	Not duly made or withdrawn	0	0	0	0	0	0	1	0	1
	Resolved	8	0	0	0	0	0	0	0	8
	Total		28	0	0	1	0	2	2	0
Investigation 1	Fully upheld	15	2	0	0	0	0	2	0	19
	Some upheld	9	0	0	0	0	2	2	0	13
	Not upheld	19	0	0	0	0	0	2	0	21
	Not duly made or withdrawn	1	0	0	0	0	0	0	0	1
	Resolved	0	0	0	1	0	0	0	0	1
	Total		44	2	0	1	0	2	6	0
Investigation 2	Fully upheld	2	0	0	0	0	0	0	0	2
	Some upheld	0	0	0	0	0	0	0	0	0
	Not upheld	0	0	0	0	0	0	0	0	0
	Total		2	0	0	0	0	0	0	0
Total complaints		214	11	2	3	5	22	50	7	314

Further information is available at www.spsa.org.uk/statistics

SPSO
4 Melville Street
Edinburgh
EH3 7NS

Tel **0800 377 7330**
Fax **0800 377 7331**
Web **www.spsso.org.uk**
CSA **www.valuingcomplaints.org.uk**