

## SPSO decision report

**Case:** 201303151, Business Stream  
**Sector:** water  
**Subject:** Charging method / calculation  
**Outcome:** upheld, recommendations

### Summary

In 2002, Mr C purchased an outhouse behind his home. The outhouse had previously been used for commercial purposes and was rated by the Scottish Assessor's Association (SAA) as a non-domestic property. In April 2013, Business Stream issued Mr C with an invoice for water used at the outhouse. The outhouse had been identified as a gap site (a property that is listed as non-domestic and, therefore, liable for water charges, but that has not been charged to date). The invoice was backdated to 2008 and covered a period of six years. Mr C complained, stating that the outhouse had no water supply of its own. Whilst he had installed a toilet in 2012, the water for this had been diverted from his domestic supply, which he paid for through his council tax.

Business Stream considered the charges to be legitimate, as the outhouse was listed as a non-domestic property and Mr C had access to water via his home. They advised that the only way the charges could be cancelled was for Mr C to appeal the outhouse's non-domestic categorisation with the SAA.

We found that Business Stream had failed to check what water services, if any, were in place at the outhouse before 2012. We referred to a previous ombudsman ruling that it is not reasonable to charge for water services that are not being provided, and concluded that no water charges could be applied to the outhouse prior to 2012. We also found that there had been a significant delay to Mr C's outhouse being identified as a gap site. Although Mr C had appealed the non-domestic listing with the SAA, the outhouse remained a non-domestic property and we were satisfied that it was reasonable to apply charges after 2012 in line with normal water industry practice.

### Recommendations

We recommended that Business Stream:

- cancel all charges on Mr C's account prior to 1 January 2012;
- apply a ten percent discount to all charges on Mr C's account between 1 January 2012 and 31 March 2014; and
- apologise to Mr C for the incorrect calculation of charges for the outhouse.