

Case 201204157: Business Stream

Summary of Investigation

Category

Water: Customer Service; billing and charging; other

Overview

The complainant (Mr C) raised a number of concerns that Business Stream unreasonably delayed in resolving issues concerning the water meter for his business premises, and involved him in unnecessary expense to pursue his complaint.

Specific complaints and conclusions

The complaints which have been investigated are that Business Stream:

- (a) unreasonably delayed in resolving issues concerning the water meter for Mr C's business premises; (*upheld*) and
- (b) involved Mr C in unnecessary expense to pursue his complaint (*upheld*).

Redress and recommendations

The Ombudsman recommends that Business Stream:

- | | <i>Completion date</i> |
|---|------------------------|
| (i) credit Mr C's account with 50 percent of the balance on the account or £200, whichever is the greater, in further recognition of the extent of their poor handling of the matter; | 5 March 2014 |
| (ii) provide the Ombudsman with evidence that there is a robust system in place or proposed, to ensure that the errors which resulted in delay in resolving this case do not recur; and | 19 March 2014 |
| (iii) formally apologise to Mr C for their error in passing his account to a debt collection agency. | 5 March 2014 |

Business Stream have accepted the recommendations and will act on them accordingly.

Main Investigation Report

Introduction

1. Mr C took occupancy of a small rented industrial unit in October 2011. He said that the Factor of the property made him aware that he would be contacted by a water service provider direct about his water bill. Mr C told us that water was provided to the premises through a single pipe and the supply was metered. He said that the first intimation he had from Business Stream that they were the water service provider was a reminder of 3 February 2012 that the balance on his account was £110.12.

2. Mr C made an enquiry online to Business Stream in which he queried the issue of a reminder when he had not been invoiced, and questioned whether the meter which had been read was for the premises he rented because the number of the meter appearing on the invoice was wrong, as was the reading. Business Stream told Mr C that they would investigate.

3. Mr C said that Business Stream delayed in their investigation to establish which meter served his unit (variously they had referred to three meters). He said that he believed that the original invoice he had received related to charges for the toilet block, which was a shared facility and the responsibility of the factor, and that from his initial telephone call to Business Stream on 7 February 2012, they should have been able to resolve the matter. Instead, it had taken a number of telephone calls, complaints and time before the situation was resolved.

4. The complaints from Mr C which I have investigated are that Business Stream:

- (a) unreasonably delayed in resolving issues concerning the water meter for Mr C's business premises; and
- (b) involved Mr C in unnecessary expense to pursue his complaint.

Investigation

5. In order to investigate this complaint, my complaints reviewer reviewed all correspondence with Business Stream. She also sought further comments from Mr C and Business Stream, reviewing account information for Mr C's business and Business Stream's system notes respectively. My complaints reviewer asked for sight of relevant policies and procedures.

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

(a) Business Stream unreasonably delayed in resolving issues concerning the water meter for Mr C's business premises

7. Evidence provided by Business Stream recorded that a note was taken to check the meter, and of Mr C's availability (24 hours' notice should be given to him if access was needed to the site). On 5 March 2012, Mr C called Business Stream seeking an update. He was told that Scottish Water had attended the site and Business Stream were awaiting a report from them. This was provided as, by 26 March 2012, Business Stream had received confirmation from Scottish Water of the meter which served Mr C's unit but it is recorded that a further request was made to Scottish Water for a 'complex survey' to be carried out.

8. On 27 March 2012, Mr C received a new invoice but he told Business Stream that this was once again for the meter which supplied the communal toilet area which was the responsibility of the Factor. He telephoned Business Stream for an update on 2 April 2012 and received advice that his account was still suspended. In his complaint to Business Stream he said that he had been advised during the call not to worry because the matter would be resolved quickly.

9. Despite receiving advice that his account had been suspended, on 9 July 2012 Business Stream sent a further invoice to Mr C, which was once again for the meter serving the toilet area. Business Stream have recorded that Mr C telephoned them about this, and that they sent an email to the meter team on 19 July 2012 to investigate why no action had been taken on an earlier request for a complex survey (on 26 March 2012). Despite his account being on hold, Mr C said that on 24 July 2012, he received a reminder notice for payment, once more for the wrong meter, and telephoned Business Stream to be told again that his account would be put on hold. Also that the meter team would be contacted urgently about the matter.

10. Business Stream recorded that there was activity on Mr C's account on 8 August 2012, with an internal message asking Scottish Water if they had responded to the request to investigate (complex survey). Despite his account being on hold again, Mr C said that he received a final notice for payment from

Business Stream on 28 August 2012. Once again this related to the wrong meter. He said that he telephoned Business Stream and spoke to (first name of the employee) but there was no record of this call. Mr C said that in that telephone call he had confirmed that Business Stream had a note of the number of the correct meter (he had met someone on site who had checked this and taken a note of the reading) and was given an assurance that the matter would be looked into, and his account would be put on hold again.

11. On 21 September 2012, Mr C received a recovery bill. When he telephoned Business Stream and asked to speak to a supervisor, he was told that someone would return his call, but no-one called.

12. Mr C said that he received another invoice on 2 October 2012 but this was incorrect as it showed all the previous charges covering the wrong meter (toilet block). Business Stream recorded an internal communication from the Wholesale Service Desk of 3 October 2012, in response to the request for a complex survey, with the advice that the engineer had been unable to contact Mr C on the contact number given, and had asked him to make arrangements for an appointment. Mr C said that a manager from Business Stream called him on 4 October 2012 and explained that there appeared to be confusion between three meters, and they would put his account on hold once again.

13. On 23 October 2012, a meter reading was carried out.

14. By letter from a debt recovery agency dated 17 October 2012, Mr C had been notified that Business Stream had passed his account to them because it remained unpaid, and they gave notice that they were pursuing him for payment of an outstanding balance of £470.60. Mr C said that when he contacted Business Stream his account was put on hold. He asked to speak to a supervisor, but no return call was made to him.

15. On 1 November 2012, Mr C submitted a formal complaint to Business Stream and received a reply on 22 November 2012. In a series of invoices around this time, confirmation was provided to Mr C that his bill had been reduced. He was informed that verification had been received from Scottish Water about the supply (metered) and that, with this knowledge, Business Stream had removed the charge for the meter serving the toilet block, and credited his account by £29.76. Business Stream informed Mr C that he was now being charged on the correct meter, and that this was with effect from

1 October 2011. Business Stream apologised for the delay in resolving the matter, and told him that they had made a payment of £40 to Mr C's account for their failure to contact him on 3 September and 29 October 2012 (when he had requested call backs). Further, that a payment of £50 to his account had been made as a goodwill gesture for inconvenience. Furthermore, that the recovery charges would be removed. Mr C was told that the balance of his account was £308.81.

16. Mr C responded to Business Stream, complaining about the handling of his complaint (the failure to acknowledge his original complaint or his follow up email on 16 November 2012) and said that the most recent invoice showed the balance on his account was £358.81, which was more than the sum Business Stream told him was outstanding in response to his formal complaint. Mr C complained also that Business Stream's reply failed to deal with any of the issues he had raised in his letter of complaint. He said that the meter for the premises, which Business Stream said was confirmed by Scottish Water as the one he had told Business Stream about originally, and had provided photographic evidence of, was the meter he had referred to throughout his dealings with Business Stream. Mr C told Business Stream that he believed that their offer of payment was inadequate.

17. On 25 January 2013 Business Stream wrote to Mr C and expressed their sincere apologies for the inconvenience and level of service he had received. He was told that a full review of the case would be carried out and, as part of this, an up-to-date meter reading had been requested. In the final response to Mr C from Business Stream under their complaints procedure, they responded to the issues not responded to previously, and advice was given that, in addition to the £90 payment previously applied, his account would be credited with a further payment of £100, reducing his bill to £285.62, and that a hold would be put on his account for 21 days. He responded to this with advice of his intention to complain to my office because Business Stream had pursued him wrongly for a debt which was not due, and should never have been passed to a debt collection agency.

18. Mr C said that a final demand was issued to him in June 2013, despite his advice to Business Stream that he intended to complain to the SPSO.

19. Business Stream said that having reviewed the case, whilst a verification of services request had been sent to Scottish Water, and they had asked them

to arrange a complex survey, significant delays had occurred both in this and in undertaking the appropriate amendments to the account to ensure that Mr C had been billed on the correct meter. Whilst they had pursued Scottish Water and their metering team for a response, it was evident that Mr C had been required to contact Business Stream on a number of occasions to request an update and they should have acted more timeously in that regard. Business Stream offered an apology for the delays which occurred.

(a) Conclusion

20. Business Stream have accepted that there was a delay. Clearly, this was unreasonable and Mr C suffered an injustice from the failure on the part of Business Stream to deal with the matter timeously. From Mr C's first approach to Business Stream about meter charges on 7 February 2012, to the eventual confirmation that the advice he had provided at that time had indeed identified the meter serving his property had taken in excess of nine months. There were other occasions when there was delay caused by fault; from the initial arrangement for a site visit, through to an 'urgent' request to the meter team taking two weeks to action, and meter readings being delayed.

21. As part of the time taken in handling the matter, Business Stream said that they had pursued the issue of the correct meter, but it was evident that this was prompted by Mr C contacting them to ask for an update and to complain about receiving a reminder, final account, and finally, notice from a debt collection agency, rather than any evidence that Business Stream pursued the matter in accordance with their process. If there is a system to send reminders when an action is overdue, it failed and if not, the process requires to be reviewed to ensure better customer service and that such mistakes do not recur. Business Stream's actions were reactionary to Mr C's contact with them rather than proactive and in accordance with a process.

22. I uphold the complaint. The delay in resolving the matter was unreasonable and the payment to date does not adequately reflect the failings which occurred. I recommend that Business Stream make a payment of 50 percent of the balance on Mr C's account or £200, whichever is the greater, in further recognition of the extent of their poor handling of the matter.

(a) *Recommendations*

- | | <i>Completion date</i> |
|---|------------------------|
| 23. I recommend that Business Stream: | |
| (i) credit Mr C's account with 50 percent of the balance on the account or £200, whichever is the greater, in further recognition of the extent of their poor handling of the matter; and | 5 March 2014 |
| (ii) provide the Ombudsman with evidence that there is a robust system in place or proposed, to ensure that the errors which resulted in delay in resolving this case do not recur. | 19 March 2014 |

(b) Business Stream involved Mr C in unnecessary expense to pursue his complaint

24. When Mr C contacted my office he said that he had spent an inordinate amount of time dealing with an incredibly straightforward issue and as a result incurred unnecessary expense. I have noted that prior to making a formal complaint Mr C had occasion (5) to telephone Business Stream, and also emailed.

25. A customer might have an expectation that some enquiry of a service provider could become necessary if there were queries about the service being provided, but in this instance, this resulted in more contacts because of the poor handling of the matter.

26. I have noted that Business Stream recognised that there had been service failure in the payment already made to Mr C's account, and I have recommended an ex-gratia payment in recognition that the delay in resolving the matter was unreasonable.

(b) *Conclusion*

27. I uphold this complaint. It is unclear why this was such a complex issue to resolve, and the documents provided gave no clue to this; although more than one visit was carried out to Mr C's premises, which required him to make access available before Business Stream were satisfied that the meter had been correctly identified. The indication Mr C was given in March 2012 was that it would be quickly resolved and, for there then to be a series of visits and notifications to him seeking payment when his account was supposed to be on hold while under investigation, must have been at the least annoying if not

stressful; notwithstanding the repeated advice given each time Mr C contacted Business Stream that his account would (again) be put on hold.

28. Mr C complained that an outstanding issue was that while Business Stream told him going to debt collectors was part of their procedure to obtain payment of an invoice, he had not been in debt. I agree that taking such action on an unresolved issue which it was in their hands to resolve, was inappropriate.

29. Overall, Business Stream left Mr C in a position where he had no option but to pursue the matter with them because of their repeated failings, and this involved the expense of telephone calls, and time. Business Stream have recognised this with the payment made under their service standards for the occasions when his calls were not returned, with a goodwill payment, and lastly from their review, crediting Mr C's account with a further payment. I consider the time Mr C had to set aside to deal with the matter, and the expense involved in doing this, has been reflected in the payments already made by Business Stream. I have no further recommendation to make for payment but I consider that Business Stream should formally apologise to Mr C for their error in passing his account to a debt collection agency.

(b) Recommendation

30. I recommend that Business Stream:	<i>Completion date</i>
(i) formally apologise to Mr C for their error in passing his account to a debt collection agency.	5 March 2014

31. Business Stream have accepted the recommendations and will act on them accordingly. The Ombudsman asks that Business Stream notify him when the recommendations have been implemented.

Explanation of abbreviations used

Mr C

the complainant