

**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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**Case ref: 201903280, Water Plus Select Ltd**

**Sector:** Water

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

## **Summary**

C complained that the water provider for their business, Water Plus, failed to reasonably bill them for their water services and failed to reasonably handle their subsequent complaints about this.

On investigation, we faced significant difficulties accessing Water Plus's records, with Water Plus either being unable or unwilling to provide us with the information we requested. However, the evidence we received from the complainant was sufficient for us to reach clear conclusions that failings had occurred in a number of areas. In particular, there was significant confusion and mishandling within Water Plus's billing system and it was not possible to conclude that this was fit for purpose for Scottish customers.

We also found that Water Plus were using a number of third party organisations to provide aspects of their service to customers, but were unable to clearly explain the structure of the relationship with these third parties and this had introduced considerable additional confusion into the process. There was also a suggestion from Water Plus's internal correspondence that C's contract may have been mis-sold to them, and Water Plus were unable to provide a reasonable level of satisfaction that this had not occurred. Lastly, we considered it clear that Water Plus had failed to fully investigate all of the issues C had raised and their record-keeping of their complaints investigation was incomplete.

On the basis of these points, we upheld all of C's complaints.

## Redress and Recommendations

What we are asking Water Plus to do for C:

Complaint number	What we found	What the organisation should do	What we need to see
(a)	Water Plus failed to bill C reasonably or accurately for their water services.	<p>Apologise to C for failing to bill C reasonably or accurately.</p> <p>The apology should meet the standards set out in the SPSO guidelines on apology available at <a href="http://www.spsso.org.uk/information-leaflets">www.spsso.org.uk/information-leaflets</a></p>	<p>A copy of, or evidence of the apology.</p> <p>By: One month from the date of the final report</p>
(b)	Water Plus failed to handle C's complaints reasonably.	<p>Apologise to C for failing to handle their complaints reasonably.</p> <p>The apology should meet the standards set out in the SPSO guidelines on apology available at <a href="http://www.spsso.org.uk/information-leaflets">www.spsso.org.uk/information-leaflets</a></p>	<p>A copy of, or evidence of the apology.</p> <p>By: One month from the date of the final report.</p>

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

Complaint number	What we found	Outcome needed	What we need to see
(a)	It was not possible to be confident that Water Plus's customers have not been mis-sold contracts.	Water Plus should arrange for an independent audit of their sales practices in Scotland.	A record of the audit and findings, which should evidence sufficient depth to reflect the overall Scottish customer base and any actions taken, or to be taken in this respect.  By: within <b>six</b> months of the date of this report.
(a)	It was not possible to be confident that Water Plus had a billing system that was fit for purpose for Scottish customers.	Water Plus should arrange for an independent audit of its billing processes for the Scottish Market, including a review of the integration of their Scottish billing system into the wider Water Plus billing system.	A copy of the audit findings.  By: within <b>six</b> months of the date of this report.
(a)	Water Plus failed to explain the nature of their relationship with their partner organisations, or whether delays in payments being processed had been fully investigated.	Water Plus should be able to provide anyone with a clear explanation of their organisational structure and should publish details on their website, setting out clearly what operations are performed by partner organisations.	A clear explanation of Water Plus's structure and relationships with partner organisations.  By: within <b>three</b> months of the date of this report.

We are asking Water Plus to improve their complaints handling:

Complaint number	What we found	Outcome needed	What we need to see
(b)	Water Plus failed to investigate fully all the issues raised by C's complaint and the complaint file appears to be incomplete.	Water Plus should have a complaints handling process that is fit for purpose.	<p>Evidence that an audit or assessment has been made of current complaints handling systems and an action plan implemented to address any findings, including appropriate training for all staff involved.</p> <p>By: Within <b>six</b> months of the date of this report.</p>

## **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 C.

## **Introduction**

1. C complained to my office about the failure by Water Plus to provide them with accurate bills for their water usage for their business. C also complained that they had received an unacceptably poor standard of customer service from Water Plus.
2. The complaints from C I have investigated are that:
  - (a) Water Plus failed to bill C reasonably for their water services; (*upheld*); and
  - (b) Water Plus failed to handle C's complaint reasonably (*upheld*).

## **Investigation**

3. In order to investigate C's complaint, my complaints reviewer made a number of enquiries of Water Plus on my behalf. I note that Water Plus were unable to provide all the information that was requested from them, despite multiple requests.
4. In this case, I have decided to issue a public report on C's complaint because the responses received from Water Plus failed to explain adequately how they had reached their decisions, or evidenced their findings. There are, therefore, significant concerns about Water Plus's ability to provide a reasonable standard of service for their customers.
5. 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. My complaints reviewer and I have reviewed all of the information provided during the course of the investigation. C and Water Plus were given an opportunity to comment on a draft of this report.
6. I am publishing this report alongside another report on case 201908445, also about Water Plus, which highlights significant failings of a similar nature in dealing with a customer unrelated to C.

### *Background*

7. From the information provided, the strong impression is that the background to this case is characterised by poor record-keeping, confusion and a lack of transparency. This summary of the background is necessarily long and detailed to illustrate this.
8. C owned a childcare business (Nursery 1). They had acquired another business, with three sites (Nursery 2, Nursery 3 and Nursery 4). Nurseries 2, 3 and 4

were being supplied by Water Plus when they were acquired. C reviewed the water supply arrangements and received new quotes from Water Plus on 12 February 2018 for all four sites. Between 13 February 2018 and 15 February 2018, C agreed contracts for all four nursery sites with Water Plus. This was a three year contract billing twice a year, with payments being made by monthly direct debit.

9. Two of these properties (Nurseries 3 and 4) were invoiced under a single account. This was agreed with Water Plus during the contract set up in February 2018. It was this account in particular, which was the main source of the issues examined by this investigation.

10. C paid their water bills by direct debit. They noticed in August 2018 that the last payment Water Plus had taken was on 8 May 2018.

11. C said they enquired why no payments were being taken and Water Plus told them that the billing system was being changed. C was told they would be provided with more information about this. C said between August 2018 and December 2018 they were in regular contact with Water Plus, trying to resolve anomalies on their accounts.

12. On 31 December 2018, £4,699.46 was taken from C's bank account. C said they were not told this was going to happen and that it caused them significant inconvenience, as well incurring unplanned overdraft charges. C contacted Water Plus to complain about this and was told the money would be returned.

13. On 19 January 2019 C wrote to Water Plus complaining they had received an invoice dated 9 January 2018 for £736.18. It did not state what period of time the invoice covered, but it would be taken on 27 January 2019. The accounts had all been set up to pay by direct debit, and C said that Water Plus had failed to take these payments. C also added they had not had the £4,699.46 returned.

14. In early January 2019 C informed Water Plus they were cancelling all their direct debits until the matter was resolved. C told Water Plus that taking such a large sum without warning had incurred overdraft charges for C. C said they wanted clarity, so that they knew what the costs would be on a monthly basis, and that they had been seeking this since August 2018.

15. Water Plus provided some internal correspondence from January 2019. This showed that C was sent a statement of account on 7 January 2019. C responded immediately to this, pointing out it showed collection of their direct debit payments stopped in May 2018 but there was no explanation for this.



16. A brief note on Water Plus's system in February 2019 shows C contacting Water Plus as they had not received any invoices. The internal note refers to 'billing advisers' identifying the start dates of C's accounts were incorrect and needed correcting. There was no evidence that any action was taken. This was described as a 'step 2 telephone complaint'.

17. On 15 April 2019, C called Water Plus again, they were unhappy that payments were not being allocated to their accounts. C asked to be escalated to the next stage of the complaints procedure.

18. In response Water Plus emailed C that day. They attached an invoice for the account which was for services to both properties (Nurseries 3 and 4). Invoices had been issued online, but C would receive them by post in the future. The amount C was being charged seemed to be high and Water Plus said they would investigate whether the accounts were on the correct tariff. Water Plus also told C they could not locate the original contract for C's accounts.

19. Water Plus provided C with their findings on 21 May 2019. They said the retail fees on C's account for Nurseries 3 and 4 appeared to be incorrect and this had been sent to the contracts support team to address. C had received a credit on their account to reflect this. Water Plus said their investigation showed C was being billed for two properties (Nurseries 3 and 4), these were the property for which C had originally signed a contract (Account 1) and a separate property for which C had not signed a contract (Account 2).

20. Account 2 was being billed incorrectly, as it was not on a contracted rate. This would be amended and Account 2 would be billed at 'deemed' rates. Water Plus did not explain at this point what a deemed rate was, nor why they believed C would have one property on contract and another which was not. As noted in paragraph 8 above, C had originally received quotes and signed contracts with Water Plus for all the businesses, but Water Plus appear not to have recognised (or even identified) this in their investigation.

21. C was not happy with this outcome, and told Water Plus they believed Account 1 and Account 2 should both be on the same contract, as this was what had been originally agreed. On 22 May 2019, C emailed Water Plus setting out the dates of the contracts they had agreed with Water Plus (I note that C provided Water Plus with copies of the contracts and the original quotes to support their position.)

22. C continued to discuss the case by telephone with Water Plus through May 2019. On 10 June 2019 C summarised these interactions in writing to Water Plus, and asked them to correct the rateable values for their properties. C noted they were

no closer to a resolution after completing the stage 2 complaint procedure. They asked Water Plus to either resolve matters or agree a referral to the SPSO.

23. On 13 June 2019, an internal email by Water Plus noted the following findings.

*there is a complex issue going on with this and the account has been set up incorrectly in MECOMS since being migrated from Rapid – this has caused contract issues as well as we found out the contracts the customer was on were mis-sold to [them] in the first place and this caused further problems – (X) is currently in the process of stripping all of the accounts and putting them back together in order to create an accurate invoice with the correct contracted tariffs – this has been completed but the account will not bill and we are unsure as to why*

24. C was told by email there had been an 'issue' on the account causing inaccurate invoices to be issued. They said this was being chased up, but the account would need to be 'rebuilt' and they could not provide a timescale for this.

25. C continued to chase the matter in July 2019. They were told by Water Plus that there was a system issue, which was preventing invoices being sent out for individual properties, which was being worked on by the Water Plus IT team.

26. C was contacted by Water Plus by telephone on 24 July 2019. C was told Water Plus required immediate payment, or legal action would be taken to recover any outstanding amounts due on Account 2. In the event, however, no action appears to have been taken.

27. In August 2019 there was continued contact between C and Water Plus, initiated mainly by C. C complained accounts appeared to have been closed and re-opened by Water Plus without explanation or consultation with C. As a result, the account numbers had changed, further confusing matters. The rateable values were also still incorrect for one property, which had both a domestic and commercial element. At this point, one of C's accounts was substantially in credit, by £1,336.80 (I note that this credit appeared to have been applied to an incorrect account number.)

28. By this time, C was also receiving debt collection correspondence. On 2 September 2019, C received a debt collection notice with regard to Account 2. This demanded £1,377.84 immediately, or legal action would be taken. Late payment charges were added.

29. C wrote to Water Plus on 6 September 2019. They set out the situation for Account 2, with the domestic property paying water rates through Council Tax. C

believed this was a double payment Water Plus were demanding, and that despite requests, no explanation had been provided. C noted that Water Plus could contact Scottish Water to raise a shared supply form for verification. C emphasised they had discussed this with Water Plus in August 2019.

30. It is noteworthy that correspondence originally supplied by Water Plus did not show any interaction between them and C between 19 July 2019 and 11 September 2019. The apparently last contact recorded in July was a request by telephone from C to provide a response or pass the case to the SPSO. The next contact was from the SPSO's Assessment and Guidance Team to Water Plus on 11 September 2019. Neither appear to have been responded to by Water Plus. This is in contrast to the records provided by C, which showed they were in contact with Water Plus by telephone and writing during this period.

31. It is concerning that Water Plus's own complaint investigation records did not contain these records and that they were not provided in response to my complaints reviewer's enquiries.

32. On 3 October 2019, C received a formal complaint response from Water Plus. Water Plus said C had made a formal complaint on 16 July 2019. The issues that Water Plus had identified from that complaint were:

- the stopping of direct debit collection from 2018,
- inaccurate drainage charges, and
- the failure to recognise that the property had both commercial and domestic elements.

33. Water Plus said originally there was a single account for two sites (Nurseries 3 and 4). These had then been split into Account 1 and Account 2 when Water Plus changed their billing system. Payments for C's old account had accumulated £1,336.80 in credit. This credit had now been transferred to Account 1.

34. Water Plus were querying the rateable value issue with Scottish Water. They said they were monitoring this and would provide C with further information. It was not made clear whether this represented a final complaint response and no referral was made to SPSO, as should happen at the end of the internal complaints process.

35. On 7 October 2019 Water Plus informed C that they had been using an incorrect rateable value. They had cancelled all invoices for Account 2 and rebilled the account.

36. C then made a payment of £1,377.84 to Water Plus on 4 October 2019, and the payment went through on 7 October 2019. C contacted Water Plus on 15 October 2019, as the transaction had not been recorded on their Water Plus account, but the money had left their bank account some seven days earlier.

37. In early November 2019, C wrote to Water Plus noting the charges for Account 1 were still based on an inaccurate rateable value. C added that they had provided this information to Water Plus twice in August 2019.

38. On 23 November 2019 C received an invoice for £1,659.28, including a £70 charge for late payment. This ignored the payment C had made in October 2019 as well as the monthly standing order taken on 15 November 2019.

39. C wrote again to Water Plus on 24 November 2019. C said they had contacted 'Water Plus Glasgow' after receiving the bill on 23 November 2019. This part of Water Plus told C their accounts were closed. C said they had asked for the payment to be credited to their account, and questioned why this could not be done immediately, as the transaction was electronic, rather than physical. C said they were told this was not possible, but no one could, or would, explain why.

40. C had spoken to several individuals at Water Plus Glasgow, including a manager. C had been told their account would be investigated and C would be called back, but this did not happen. C noted the payment had still not shown in their Water Plus accounts eight weeks after the money had left their bank account.

41. C was told on 26 November 2019 that the payment had been received by '*our partner office in Glasgow.*' The payment was awaiting allocation to C's account, but there were some administrative issues with the transfer and that was the reason for the delay. Water Plus said C's account was considered to be up-to-date and they did not need to take any further action.

42. On 4 December 2019, C brought their complaint back to my office. I note that C had not at any point in the complaint process been signposted to the SPSO by Water Plus.

43. On that same day, my complaints reviewer wrote to Water Plus to request an explanation for C's situation. Water Plus responded to my complaints reviewer on 18 December 2019. They said they had been working to resolve C's complaints, and had now done so. They said that the complaint only related to Account 2 and that C might have been confused as they had had multiple accounts with Water Plus.

44. Water Plus went on to say that C's complaint had been about an inaccurate rateable value. Water Plus had needed to contact the wholesaler and update the

Central Market Agency. C had been happy with this solution. C had then raised an issue about a payment on Account 2, which Water Plus had treated as part of the same complaint.

45. C's payment of £1,377.84 made on 4 October 2019, had been made to one of Water Plus's partner debt collection agencies. There had been complications forwarding the payment to Water Plus, and the money had got stuck in a 'suspense' account. Unfortunately C's payment was not the only one affected and it had taken a very long time for the situation to be rectified as thousands of payments had to be sorted and added to the correct accounts.

46. Water Plus said they had been in permanent contact with C during November and December, assuring C they knew about the payment and that C did not have to worry about debt collection action. Water Plus could not speed the payment up, however, as this was a banking issue.

47. Water Plus said they had been informed that day (18 December 2019) that the payment had been allocated and C's account had been updated. They said they had spoken to C, and the matter was now resolved.

48. I note that in March 2020, Water Plus contacted C and informed them that their rateable value was incorrect and that they were being rebilled on a newer higher value. C contacted Water Plus and was told an individual member of staff had misinterpreted the data on their account.

**(a) Water Plus failed to bill C reasonably for their water services**

*Concerns raised by C*

49. When we contacted C, they confirmed that they did not consider their complaint had been satisfactorily resolved. C was clear that although Water Plus had corrected the errors on their account eventually, they remained extremely dissatisfied with the way Water Plus had acted.

50. C said they had the following concerns about the way they had been billed by Water Plus:

- i. Water Plus had stopped taking direct debit payments without informing C. C had noticed this, but considered it unreasonable that Water Plus had not contacted them about changes to their accounts. C said that had they not noticed this, they did not know when Water Plus would have contacted them. C said this resulted in debt building up on their accounts, and that sudden demands for payment, or the removal of large sums of money from accounts without warning by direct debit

could cause small and medium sized business significant financial difficulties. C said they had no confidence Water Plus had properly investigated the cause of the problem, or that they had taken action to correct it.

- ii. Water Plus had repeatedly blamed IT system issues for the problems with generating bills for C and for allocating payments to C's accounts. C believed they had changed their billing system and this was the cause of the problems, but C said they had never received a coherent explanation for Water Plus's mistakes.
- iii. C said they had been obliged to provide Water Plus with basic information, such as original quotes and contracts, because Water Plus said they could not access it. C said this had never been properly explained.
- iv. C had been obliged to cancel their direct debits, following the withdrawal of large sums of money by Water Plus without warning or explanation. This had resulted in overdraft charges, and placed C's businesses at financial risk. C said that Water Plus had eventually apologised for this, and refunded the money, but they had not explained why they had done it, and C was not confident they would not do it again.
- v. C had made payments to indicate they were always prepared to pay what was owed, once they were correctly invoiced. C said in October 2019 they made a payment, which did not appear on their Water Plus account for months, although the transaction had been completed within days. C said this was unreasonable, they had paid their money to an organisation branded as Water Plus and identifying itself as Water Plus over the telephone. C felt that it was reasonable for them to believe they had paid Water Plus directly.

51. C did not accept Water Plus's explanation that the delay was due to banking issues. C suggested that Water Plus, were, as with the billing problems, not being transparent with their customers about their organisation. C also suggested that this problem appeared to have affected multiple accounts and C said again they had no confidence the problem had been properly investigated or rectified.

#### *Water Plus's response*

52. Water Plus's correspondence with C has already been set out in detail in the Background to this report, and I will not repeat it here. I would emphasise, however, that a number of items of correspondence which we received from C were not provided by Water Plus.

53. In response to my complaints reviewer's enquiries, Water Plus initially said the following:

- i. When asked if they had been unable to access C's contract they simply provided a copy of it, without comment. They did not answer whether C had been obliged to provide them with this, or whether they had been able or unable to access it during their handling of C's complaint.
- ii. They did not answer our questions about the IT issues C was told were responsible for problems with Water Plus's billing system.
- iii. Water Plus were asked to provide a copy of their debt recovery process. They did not do this, but provided a table of the 'debt recovery cycle for this account' and a statement of C's account.
- iv. Water Plus provided copies of some internal email correspondence. As noted at paragraph 23 in June 2019, an internal discussion about C's account identified IT issues with transferring C's accounts between two systems at Water Plus, as well the contracts apparently being mis-sold to C.
- v. Water Plus wrote to C on 13 June 2019 confirming the need to 'rebuild' the accounts, but did not explain why, or mention the concern previously communicated to C that contracts had been 'mis-sold'.
- vi. Water Plus told the SPSO that as far as they were concerned the complaint was resolved, and suggested there was no need for an investigation by us.

54. My complaints reviewer sent further questions to Water Plus, as their complaint investigation did not appear to have identified a number of significant issues with C's account.

- i. Water Plus were asked **again**, if they had to ask C to provide them with a copy of C's contract. Water Plus denied this, saying that the contract had not been part of the complaint, which had been about the rateable value of C's property.
- ii. The apparent IT issues referred to in Water Plus's internal correspondence were highlighted. Water Plus told us there had been no IT issues with C's account. They said when C's account was migrated from the Scottish billing system onto the normal billing system, the account had been blocked from invoicing until all relevant prices and information were loaded. This had taken a little longer to transfer, as C had multiple accounts. No explanation for the references to contracts being mis-sold, or the accounts needing to be 'rebuilt' was provided.
- iii. My complaints reviewer asked **again** for a copy of Water Plus's debt collection policy, or an explanation of how Water Plus ensured its staff acted consistently when dealing with accounts which were overdue. Water Plus continued to refer

to their debt 'cycle' saying that C had been sent a reminder in June 2019 and a letter warning of legal action in July 2019. They did not explain how they ensured staff acted consistently, or how their processes took the individual circumstances of customers into account.

- iv. An explanation of Water Plus's relationship with the debt collection agency or 'partner organisation' was also requested. Water Plus said once a balance had been transferred to a debt collection agency, then customers had to pay that agency. The payment would then be transferred over to Water Plus.
- v. They did not provide an explanation of the relationship between the two organisations. They also failed to explain why this agency identified itself as Water Plus to customers, provide any detail on how the problems with C's payment had arisen, how these had been investigated, or what actions had been taken to prevent a reoccurrence.
- vi. Water Plus were asked to provide copies of the interactions between the debt collection agency and C. All they provided was some brief internal notes. These showed that C's account appeared to have been sent to debt collection agency in July 2019. It was put on hold for two weeks on 5 September 2019. An attempt was made to recall the account on 15 October 2019, but this appears to have been only partially successful, as C's account was still being queried the following month. By 21 November 2021 Water Plus had not provided the debt collection agency with the information they needed to allocate C's payment.
- vii. Water Plus provided us with no records of their interactions with Scottish Water or evidence of the actions they had taken to resolve the issues with the rateable value of one of C's properties (making it questionable as to whether they held any).

55. My complaints reviewer continued to ask Water Plus for information about their billing and debt recovery processes.

- i. Water Plus then provided a copy of a flow chart, which set out a customer's 'debt journey'. There was no written guidance or procedure for staff to follow provided with this (or even an indication as to whether it existed).
- ii. Water Plus also provided recordings of calls to and from C. These were not complete, however, as C's correspondence to Water Plus referred to calls received from Water Plus. It was clear from the correspondence, that Water Plus accepted these calls had taken place, but they were not included in the recordings.



- iii. Although there were copies of the email correspondence between Water Plus and C, C was able to provide copies of letters sent by Water Plus, which it appears Water Plus did not have. Additionally, there was no evidence of a case management or customer service database system being used by Water Plus.

#### *Comments on draft report*

56. Water Plus provided comments on a draft of this report. I would summarise these as follows:

- i. They accepted that the levels of service provided fell disappointingly short of their business and market expectations and accepted the need for remedial action to address this and avoid such failures in future.
- ii. They clarified that their Legal & Regulation team had since carried out a thorough investigation into the matter of potential mis-selling and confirmed that they considered the contract was not mis-sold.
- iii. They considered this misunderstanding had arisen from an incorrect use of the term by the employee, who was *“not aware of the differences between contractual terms and our internal onboarding requirements or the correct definition of contract mis-selling.”*
- iv. They were therefore satisfied that the terms of service agreed were valid and governed the contractual relationship between them and C.
- v. They also recognised that their inability to appropriately explain this issue and the fact it related to issues related to onboarding, rather than C's contractual terms, caused further distress.

#### **(a) Decision**

57. C complained that Water Plus failed to bill them reasonably or accurately for water services. It is a matter of fact that C began raising queries about their billing in August 2018. At this point C was concerned that their direct debit payments had stopped without notice after a payment was taken in May 2018.

58. From the evidence, it appears that Water Plus changed their billing system from a separate Scottish system, to one that was integrated into their main billing system around this time. Despite being asked directly about it, they have been unable or unwilling to explain this process, or why they stopped taking payments without informing their customers.

59. There is no evidence from this case that Water Plus were actively managing customer accounts where payments were not being taken, or informing them of the build-up of debt. In C's case, Water Plus suddenly took over £4,000 from their bank account via a direct debit, without warning or discussion. There appears to have been no consideration given to the potential impact this could have on a business, particularly a small or medium sized enterprise. Water Plus have never provided a clear explanation for this action.

60. This is not consistent with what Water Plus have said on their website. They state:

*We aim to deliver the highest customer service standards.*

*Our experienced teams of advisors are ready to help with any queries and aim to sort them out as quickly as possible. They will always ensure you are kept up to date with the progress of your query.*

*We follow the water industry guaranteed standards scheme which sets out what we must do by law for you. But be sure we'll always do more where we can.*

61. C told us they had been required to provide Water Plus with their original quotes and contract documents, because Water Plus were not able to access these after they changed their systems. I have accepted this both on the evidence we have seen and because Water Plus did not adequately explain to us their ability to access these documents.

62. Initially they provided a copy of the contract, without answering the accompanying questions about whether they had been able to access their own copy of the document. Water Plus then told us the complaint was solely about the rateable value of C's property. This was clearly inaccurate. While I recognise that part of C's complaint was about the rateable value of their property, C also raised multiple concerns about the bills they were receiving from Water Plus.

63. It is also clear from the evidence we have seen that C did provide Water Plus with a copy of their contract and original quotation documents at Water Plus's request.

64. C said they felt Water Plus's approach was 'shambolic'. I have some sympathy with their view having seen evidence which shows Water Plus changed their billing system without informing their customers, or monitoring the impact on their payments.

65. As outlined above, when C raised concerns about the lack of bills, they were told that this was due to IT problems with the billing system. They were also told their account had to be 'rebuilt'. Water Plus's response to my complaints reviewer was that there had been no IT problems with C's account. This would seem to contradict the written evidence of Water Plus staff referring to IT issues as a source of problems with C's bills.

66. Water Plus then said that when they migrated the account from their Scottish system on to their normal billing system the account was blocked for invoicing until all relevant information had been transferred. This had taken longer because C had multiple accounts. This does not explain the references to C's accounts being 'rebuilt', or the comment that C's account would not be billed, and that staff did not know why this was not working. The internal correspondence we have been able to obtain suggests strongly that the underlying issue was more significant than simply the number of accounts C had.

67. Water Plus's responses to my complaints reviewer were either inaccurate or disingenuous. They were not supported by the available evidence and were contradicted by the limited internal records that Water Plus were able to supply.

68. Of significant concern to me is the fact that Water Plus's internal correspondence suggests they thought C's contract was mis-sold to them. There is no evidence this was investigated further, and Water Plus do not appear to have communicated or discussed these concerns with C.

69. Water Plus have, in their comments on a draft of this report, sought to provide reassurance that they have now thoroughly investigated the matter of mis-selling and are satisfied that this did not occur. However, they have provided no evidence of their investigation to support this, and their explanations lack sufficient detail to allow an understanding of their conclusions or provide reassurance they are correct.

70. Overall it is clear to me from the evidence that Water Plus had significant system and process issues when billing C. There is no evidence that their investigation of these was sufficiently robust or that any consideration was given to systemic problems affecting other customers. Records are incomplete and for several time periods, it would appear, simply unavailable. The sadly unavoidable impression is of an organisation whose billing systems were not fit for purpose and where different teams were unable to communicate effectively with one another. This was compounded by poor record-keeping.

71. In my view, the issues raised by C's case and by the related case referred to in the summary are sufficiently serious that they go beyond the scope of individual

remedies. Although I have made recommendations which aim to address the issues experienced by C, I am also making a recommendation that Water Plus carry out an independent audit of their customer service, complaint handling and billing functions.

72. I uphold this complaint.

**(b) Water Plus failed to handle C's complaint reasonably**

*Concerns raised by C*

73. C told us they were concerned that there did not appear to be any co-ordination between different parts of the Water Plus organisation. C said it was difficult to speak to a single member of staff about their complaint and they repeatedly had to explain the situation to different parts of the organisation.

74. C noted Account 2 had been passed across to a debt collection agency, even though C had explained that they were in dispute with Water Plus over the accuracy of the bills. C did not feel that Water Plus could reasonably attribute the issues C had experienced to the fact that they were dealing with different parts of the organisation.

75. C complained they were repeatedly told that Water Plus were closing their complaint after ten working days, as resolved. C would then have to re-start the process. C noted that in June 2019 they had asked Water Plus to refer their case to the SPSO, but this had not happened. Nor, would it appear, that C was signposted to the SPSO and advised that they should approach us themselves in line with normal complaint handling procedures.

76. In addition C complained that their account had been passed to a debt recovery agency. Although they used Water Plus branding, and identified themselves as part of Water Plus on the telephone, when C made a payment, it was not transferred to C's account. C also complained they were threatened with legal action while they were disputing the accuracy of their bills and before the complaints process had completed.

*Water Plus's position*

77. Some of Water Plus's position has already been set out under complaint (a) and I will not repeat it in detail here. In summary, Water Plus suggested initially that C's complaint had been resolved to C's satisfaction and that C was confused about what the issues were, because they had multiple accounts.

78. Water Plus did not accept that C's complaints dated back to 2018. They did not accept that the issues C wished to raise about IT problems were part of C's complaints to Water Plus or that issues with C's contracts had formed part of the complaint they had investigated and which C wished to bring to the SPSO.

79. As set out under complaint (a), Water Plus did provide limited information about their debt recovery process. They did not explain or provide their complaints handling policy or procedure, in particular the issue C had raised about their complaints being closed after ten working days, even when C was not satisfied that the issues they were raising had been resolved.

**(b) Decision**

80. C began raising issues about their account in 2018. The definition of a complaint used by the SPSO is as follows:

*The definition of a complaint is: 'an expression of dissatisfaction by one or more members of the public about an organisation's action or lack of action, or about the standard of service provided by or on behalf of an organisation.'*

81. My view, is that C's concerns all met this definition. C was clearly expressing dissatisfaction with the service provided to them by Water Plus from mid-August 2018. In addition, I note it took from August 2018 until December 2019, for Water Plus to respond fully to all the issues C was raising. The evidence shows clearly that all the issues which subsequently arose can be linked back to Water Plus's failure to collect payments by direct debit after May 2018.

82. Water Plus suggested C might have been confused because they had a number of different accounts with them. The evidence I have seen does not support this stance. C was making consistent and determined efforts to resolve matters with Water Plus, far beyond what was reasonable to expect from them. What prevented them from doing so was the repeated failure of Water Plus to issue accurate bills, or to explain to C fully what the issues were that had resulted in the problems with their account.

83. When compared to the evidence available, Water Plus's responses appear inaccurate. C clearly raised a range of complaints about more than just the rateable value of their property and were able to supply a more complete set of records than Water Plus were. While it may not have been Water Plus's intention I can easily see that to say C was 'confused', is at best inaccurate, and at worst patronising. I would also note, again, that C was not at any point, signposted to the SPSO, even though

this a requirement for all bodies under the Ombudsman's jurisdiction, when they issue a final complaint response.

84. 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.

What we are asking Water Plus to do for C:

Complaint number	What we found	What the organisation should do	What we need to see
(a)	Water Plus failed to bill C reasonably or accurately for their water services.	Apologise to C for failing to bill C reasonably or accurately.  The apology should meet the standards set out in the SPSO guidelines on apology available at <a href="http://www.spsso.org.uk/information-leaflets">www.spsso.org.uk/information-leaflets</a>	A copy of, or evidence of the apology.  By: One month from the date of the final report

Complaint number	What we found	What the organisation should do	What we need to see
(b)	Water Plus failed to handle C's complaints reasonably.	Apologise to C for failing to handle their complaints reasonably.  The apology should meet the standards set out in the SPSO guidelines on apology available at <a href="http://www.spsso.org.uk/information-leaflets">www.spsso.org.uk/information-leaflets</a>	A copy of, or evidence of the apology.  By: One month from the date of the final report.

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

Complaint number	What we found	Outcome needed	What we need to see
(a)	It was not possible to be confident that Water Plus's customers have not been mis-sold contracts.	Water Plus should arrange for an independent audit of their sales practices in Scotland.	A record of the audit and findings, which should evidence sufficient depth to reflect the overall Scottish customer base and any actions taken, or to be taken in this respect.  By: within <b>six</b> months of the date of this report.



Complaint number	What we found	Outcome needed	What we need to see
(a)	It was not possible to be confident that Water Plus had a billing system that was fit for purpose for Scottish customers.	Water Plus should arrange for an independent audit of its billing processes for the Scottish Market, including a review of the integration of their Scottish billing system into the wider Water Plus billing system.	A copy of the audit findings  By: within <b>six</b> months of the date of this report.
(a)	Water Plus failed to explain the nature of their relationship with their partner organisations, or whether delays in payments being processed had been fully investigated.	Water Plus should be able to provide anyone with a clear explanation of their organisational structure and should publish details on their website, setting out clearly what operations are performed by partner organisations.	A clear explanation of Water Plus's structure and relationships with partner organisations  By: within <b>three</b> months of the date of this report.

We are asking Water Plus to improve their complaints handling:

Complaint number	What we found	Outcome needed	What we need to see
(b)	Water Plus failed to investigate fully all the issues raised by C's complaint and the complaint file appears to be incomplete.	Water plus should have a complaints handling process that is fit for purpose.	Evidence that an audit or assessment has been made of current complaints handling systems and an action plan implemented to address any findings, including appropriate training for all staff involved.  By: Within <b>six</b> months of the date of this report.