

SPSO decision report

Case: 201301895, Business Stream
Sector: water
Subject: debt recovery / payment fees
Outcome: some upheld, recommendations

Summary

Mrs C took a lease on a property in 2006, as she planned to open a small business. Although this had not happened, she kept the lease, hoping she would be able to start trading. Mrs C believed she had an agreement with Scottish Water that she would not pay water charges until she opened her business. She said that in early 2012, Business Stream phoned and said the agreement would be honoured but she then received an invoice backdated to 2008. Mrs C said she called them repeatedly about this and was told they would investigate and call back, but this never happened. After several months of calls, Business Stream wrote to say that as she used the property for storage she was liable for fixed water charges, whether she used water or not.

Mrs C complained that because of the agreement it was unreasonable for Business Stream to backdate charges, and that she was unhappy because they said they would honour it, then went back on the agreement. She also said they did not tell her that the council might exempt her property from rates (which has now happened) and because of this exemption, she said Business Stream should also waive their charges. Finally, she said they refused to acknowledge her complaint until she put it in writing, and when she did they did not respond to all her questions.

Business Stream said they were entitled to backdate the account as, under their policy, a customer using the property for storage is liable for fixed water charges. They had no record of any agreement with Scottish Water, or of Business Stream agreeing that she was not liable for water charges.

We did not uphold all of Mrs C's complaints. There was no written evidence of the agreement, and we found Business Stream were generally entitled to do what they had done although they had not given Mrs C any information when setting up her account. We did, however, uphold her complaints about an additional charge on the account, and about how they handled her concerns. We found that the additional charge was the cost of a disconnection survey. However, as they should have told her about this beforehand, they should not have added the charge to her account. We also found that for six months they delayed treating Mrs C's concerns as a complaint, although she repeatedly contacted them about this. As they had not dealt with this properly and their customer service records were incomplete and inaccurate, we said they should not have levied a recovery charge. We made a number of recommendations to improve service in future.

Recommendations

We recommended that Business Stream:

- review their procedures to ensure that a copy of their standard terms and conditions are supplied to all new customers at the point their account is opened;
- remove the survey charge from Mrs C's account;
- remove the recovery charge from Mrs C's account;
- credit a payment to Mrs C's account to reflect the distress, delay and inconvenience caused by their failure to treat the matter appropriately as a complaint;

- review their policy 'Leaving a property or Ending an Agreement' to ensure it defines clearly what actions they will take to verify a property is empty;
- visit the site to ascertain if the property is now empty; and
- apologise in writing for the failings our investigation identified.