

4. Written Responses – Questions

The Government's Proposal

1) Do you agree, in principle, that vacant non-household properties should be charged for water, sewerage and drainage services?

Yes x No

Citizens Advice Scotland (“CAS”), its 61 member bureaux, consumer helpline and Extra Help Unit form Scotland’s largest independent advice network. Citizens Advice Bureaux advice services are delivered using over 250 service points throughout Scotland, from the islands to city centres, and through our helplines. Together, the Citizens Advice Service in Scotland helped 300,000 people with nearly 1 million issues in 2013/14.

On 1 April 2014, the roles and responsibilities of Consumer Futures were transferred by the UK Government to the Citizens Advice Service, encompassing CAS and our sister organisation Citizens Advice (England and Wales). CAS now represents the interests of citizens and consumers in essential regulated markets including energy, post and, in Scotland, water. Our aim within the water industry is to challenge and shape policy to ensure it reflects the needs of consumers. CAS, therefore, welcomes the opportunity to respond to the Scottish Government’s consultation on the Water and Sewerage Charges: Charges for Vacant Non-Household Properties (“the Consultation”).

Based on the ongoing cost to Scottish Water for continuing to service vacant properties by way of maintaining infrastructure and property drainage services, CAS believes that cross subsidies should be removed and that charges should be levied for properties that are serviceable and ‘business ready, and which benefit from services that enable the property to be used.

2) Do you agree that water and sewerage charges for vacant properties should be the same as those for occupied properties regardless of the reason for the vacant status?

Yes No x

We believe that serviceable properties should be charged for the services they receive regardless of whether or not they are vacant or occupied. Where a property is vacant, however, and is likely to remain , vacant for some time, CAS takes the view that the owner should be offered the option of a temporary disconnection.

CAS believes, however, that a different approach should be taken where a property is rendered unusable due to reasons beyond the owner’s control, such as where the property has been affected by, for example, flooding or

fire, and where plans are in place to make that property serviceable as soon as possible. In these circumstances we would support the view that charges should be suspended until the property has been made serviceable. In this respect, we do not believe it is in the consumers' interest or in the interests of the industry as a whole to continue to levy charges for properties that temporarily cannot be used as opposed to properties that can be used. We believe that this is another type of situation where property owners should be given the option of a temporary disconnection being effected to their services.

Charges – Drainage Services

3) Do you agree that drainage charges should be the same as those for occupied properties?

Yes x No

Where vacant properties benefit from drainage services, we believe the same charges should be levied as those for occupied properties. We believe that it is in the industry's best interest to recover the cost of providing drainage services to vacant properties and that this should not be paid by occupied properties.

Timetable for introduction

4) Do you agree that the current exemption should be removed from 1 April 2017?

Yes x No

We would support the removal of the current exemption in April 2017. However, we would strongly advocate for a programme of clear, extensive and effective consumer engagement to ensure that all non-household property owners are aware of a new liability to pay for water and sewerage charges as from April 2017. CAS would be interested in meeting the Scottish Government to discuss how this programme of consumer engagement could best meet these objectives.

CAS believes there is a need for such engagement, given recent evidence which has come to our attention about the extent that SMEs are catered for within the market. CAS, for example, has been made aware of a number of issues related to licensed providers' practices of billing and charging, and debt recovery for previously unbilled SMEs and where engagement with the customer has not been effective or clear. This has led to detriment being experienced by SMEs and charities: including lengthy backdated billing practices, with some bills dating back to 2009; and a lack of understanding by the customer leading to lengthy and expensive legal action causing further loss of income and threatening businesses.

Against this background, CAS considers that any communications programme relating to changes to the current exemption, and to highlight new charges to previously unbilled property owners, should aim to achieve the following:

- A clear understanding by consumers of who their licensed provider is, and the basis on which they are now being billed;
- Confidence that consumers are being billed for the correct amount by their licensed provider;
- Easy access to their licensed provider to discuss their bill without fear of legal action; and
- Access to clear and simple information about their licensed provider and about their bill

In addition, and in order to create transparency and build customer trust in the water and sewerage industry, the Scottish Government should consider including into correspondence to customers evidence supporting the proposed changes i.e. examples of the cost to the industry of cross subsidising vacant properties.

Licensed providers should be mindful of the impact that bills can have on SMEs and charities with ring-fenced funding. We believe that every effort should be made by licensed providers to agree regularity of billing with previously unbilled properties rather than allowing a lengthy period of time to elapse before issuing bills.