

**Complaint reference:**  
16 009 690

**Complaint against:**  
Watford Borough Council

## **The Ombudsman's final decision**

Summary: The Council is at fault for providing incorrect information about small business rate relief on its website. This fault led to the Council charging Mr B more for business rates than he expected.

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### **The complaint**

1. The complainant, whom I shall refer to as Mr B, complains that the Council provided incorrect information about small business rate relief on its website. Mr B says he budgeted for the rate the Council's website advertised, but was then billed for more. Mr B says he wants to pay the amount originally advertised.

### **The Ombudsman's role and powers**

2. The Ombudsman investigates complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. She must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, she may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1)*)
3. The Ombudsman may investigate matters coming to her attention during an investigation, if she considers that a member of the public who has not complained may have suffered an injustice as a result. (*Local Government Act 1974, section 26D and 34E*)

### **How I considered this complaint**

4. I considered the information provided by Mr B and reviewed national and local guidance. I invited Mr B and the Council to comment on a draft of this decision and have taken account of the comments received.

### **What I found**

#### **Guidance**

5. The government's business rates relief website says a business can get small business rate relief if it only uses one property, and the property's rateable value is less than £12000. (The rateable value of a property is its open market rental value on 1 April 2008, based on an estimate by the Valuation Office Agency. The next revaluation of properties is due in 2017.) The guidance says business rates are not payable on properties with a rateable value of £6000 or less until March 2017. The rate of relief goes down gradually from 100% to 0% for properties with a rateable value between £6001 and £12000.

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### **What happened**

6. Mr B took out a five-year commercial lease on 1 June 2016. Before doing so, he says he looked on the Council's website to find out about its small business rate relief scheme.
7. Shortly after, Mr B received a bill for £2772.67. He queried this and provided a screenshot of the Council's website from 11 July 2016, which said:

"Small businesses with a rateable value of £6000 and below will receive 100% discount, this relief will decrease on a sliding scale of 1% for every £120 up to £11999."
8. Mr B said his business' rateable value was £9800, which should have meant he got a 68.4% discount in business rates, and would need to pay £1200.80. He says he agreed to the lease with this discount in mind.
9. The Council accepted its website was wrong, but told him the relief rate had changed and the decrease in relief was now 2% for every £120 over £6000, not 1%. It said that had now corrected its website. The Council apologised and offered Mr B an extra discount, which would have meant he paid £2625.17 for the year rather than £2772.67.
10. Mr B rejected this offer and said he wanted to pay the amount originally advertised on the Council's website, which is what he had budgeted for.

### **My findings**

11. The Council has admitted fault in this case, and it updated the information on its website after Mr B complained. The information is now correct.
12. Mr B says he budgeted to pay a certain amount, based on the information on the Council's website, and he received a bill for more than double what he had expected. He says if he had received the correct advice from the Council he would have looked into alternative arrangements, such as negotiating a cheaper rent or even looking elsewhere. I see no reason to doubt this and so I consider Mr B to have suffered an injustice. It was reasonable for Mr B to trust the information on the Council's website, as Councils manage small business rate relief.
13. I consider the injustice to Mr B is that he is liable for a higher business rate than the Council led him to believe. I therefore consider the Council should apply the rate of relief that it advertised to Mr B when he first took out the lease. Given that business rates may change in April 2017, and the government could apply a change in relief at any time (but usually from April), this relief should apply from 1 June 2016 to 31 March 2017.

### **Agreed action**

14. The Council has agreed to recalculate Mr B's business rates bill for the period 1 June 2016 to 31 March 2017 and, for this period, will require him to pay business rates equivalent to the sum advertised on its website when Mr B took out his lease.
15. The Council agreed to identify any other businesses in the area that have complained about the difference between the information on the website and the calculation on their bills, and refund them so they have only paid the amount advertised on the website. However, the Council said it had not received any complaints about this issue from other businesses.

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## **Final decision**

16. The Council is at fault for providing incorrect information about small business rate relief on its website. The website has now been updated and the error does not appear to have affected any other businesses. The agreed action – outlined in paragraph 14 above – will remedy Mr B's injustice.

## **Investigator's final decision on behalf of the Ombudsman**