

Power Board required to change opinion of company's credit standing following Ombudsman investigation

Legislation	Ombudsmen Act 1975
Agency	Power Board
Ombudsman	John Robertson
Case number(s)	C1610
Date	1992

Decision to decline discount on power account

The background circumstances to this complaint were that a company asked the Board to carry out some electrical work on its premises, including the replacement of a faulty coil. When the work was not completed to its satisfaction the company disputed the Board's account for the work and notwithstanding the several discussions and exchanges of correspondence between the parties over several months the matter lay unresolved. The case was heard in April 1988 by the then Small Claims Tribunal and when it found in favour of the Board the company settled its account.

In the course of the next several months the company paid its accounts as they were due. However, a payment due by 2 December 1988 did not reach the Board until 25 January 1989 and the Board decided that it would not apply its policy of allowing a discount of 10 percent to customers who paid an account late but who otherwise had a good credit record. The complainant believed this decision was unreasonable.

The Ombudsman's enquiries into the matter disclosed that the Board had made its decision on the basis that it believed in disputing the earlier account for the electric coil the company had blemished its credit record with the Board. The Ombudsman formed the view that in questioning the validity of the account the company had merely been exercising a right to do so and that to exercise a right cannot be regarded as a blemish. In addition as the company had paid its accounts promptly following the decision of the Tribunal there was no evidence to persuade to the view that it had anything other than a good credit record with the Board. The

complaint was sustained. Accordingly the Board decided to allow the discount payable and the enquiries were concluded on that basis.

Comment

Power Boards no longer exist, however many aspects of power transmission, generation and retail remain under government ownership as State Owned Enterprises.

This case note is published under the authority of the [Ombudsmen Rules 1989](#). It sets out an Ombudsman's view on the facts of a particular case. It should not be taken as establishing any legal precedent that would bind an Ombudsman in future.