**Customer Insurance Goods in Transit Claims Procedure**

**Important Information**

**Claims Liability**

For goods travelling through The Pallet Network standard cover is £5,000 per

tonne. This means that unless you have applied for extended cover, every kilogram of freight

we transport on your behalf is insured to the value of £5.00. As we are not the goods owners

the insurance covers our legal liability to you under the RHA conditions.

The claims value is calculated based on the actual weight of the goods lost or damaged with

the value of the claim, in the majority of circumstances, being based on the lower of the cost

price or the maximum liability for the weight of the consignment.

These simple examples illustrate how this limit might not be sufficient for you.

Pallet 1 Goods weigh 100kg

Goods cost you, the customer, £100.00

The maximum liability based on weight is 100 x £5.00 = £500

Limit of liability for these goods would be £100.00, your cost price

Pallet 2 Goods weigh 500kg

Goods cost you, the customer, £3,750

The maximum liability based on weight is 500 x £5.00 = £2,500

Liability for these goods would be limited to £2500 which is less than your

cost price

**Timescales**

You must notify us of a claim within the required timescales. These timescales vary

depending on the type of claim and whether a clean proof of delivery was obtained at

the delivery point.

**Summary**

**Damage / Pallet loss**

 Inform Cumbria Logistics of damage, in writing, as soon as possible and ideally no later than 24 hours of the delivery

 Send claim form to Cumbria Logistics within 7 working days of the delivery date

**Full Consignment loss**

 Inform Cumbria Logistics Ltd in writing of intention to claim, within 14 working days of the

collection date

 Send claim form to Cumbria Logistics Ltd within 21 working days of the collection date

If the written advice and Claim Form are not received within the required timescales, then the claim will be rejected unless there are specific and reasonable reasons behind this. For

example, if the delivery was made on Christmas Eve and the Company was on shutdown for

2 weeks then it would be reasonable to allow a time extension.

You should ensure that any damaged goods being claimed for are retained and not

disposed of until after the claim has been settled.

Any damaged item or individual parts must be retained, and photographs taken before,

during and after its inspection and accompanied by an engineer’s / surveyor’s report,

submitted stating exactly what damage has been found, why Cumbria Logistics are liable and should also include itemised repair invoices.

**Explanations:**

**Claiming for Damage – Clean POD**

If the consignment was delivered and the recipient signed the proof of delivery without noting

the damage then this is classed as a Clean POD and any damages identified afterwards are

classed as Concealed Damage.

Concealed Damage must be reported in writing to Cumbria Logistics Ltd **as soon as possible and ideally within 24 hours of the delivery** being accepted by way of an email to

claims@cumbrialogistics.co.uk including full details of the consignment and damage

identified. If the damage is not reported within this timescale, then it is deemed more likely to

have occurred after the delivery.

Photographic evidence must be provided to illustrate the damage noted alongside packaging

information to prove that the damage was caused during transit.

Writing ‘Received unchecked’ or the similar doesn’t extend this timescale so it is incredibly

important that your end customers check for visible damage to the packaging before they

sign the proof of delivery and then unpack the delivery, checking for any concealed damage,

that working day.

This is one of the most contentious areas for our customers, as end customers often aren’t

aware of the short window they have to claim. We recommend that this is clearly stated on

your order documentation and any other communication with your customer so that they can

notify you quickly.

The concealed damage notification must be followed by a completed and signed Claim Form

to be received by Cumbria Logistics ltd **within 7 working days** of the date of the delivery.

**Claiming for Damage – Damage Noted on the POD**

If the consignment was delivered and the recipient noticed damage or shortages at the point

they received the goods then they must write the details on the proof of delivery document

as well as signing to accept the goods. This is called a Claused POD. If the Driver is using a

handheld device to capture the signature then they will enter a code which clauses the proof

of delivery signature for the customer.

Even though the damage is noted on the POD, you must advise Cumbria Logistics Ltd of your intention to claim **within 7 working days** of the date of the delivery by way of an email to claims@cumbrialogistics.co.uk including details of the consignment and damage.

This must be followed by a completed and signed Claim Form to be received by Cumbria Logistics **within 7 working days** of the date of the delivery.

**Claiming for Loss**

Thanks to the tracking systems Cumbria Logistics and our partners use, lost pallets are rare,

however, in the event of a loss then different timescales apply.

If your customer claims that one or more pallets within a consignment are not delivered and

no proof of delivery has been provided then you must notify Cumbria Logistics **within 14 working days** of the collection date and then submit a completed and signed Claim Form **within 21 working days** of the collection date.

**Supporting Evidence**

As with any insurance claim, you need to provide evidence of the amount you are claiming.

Under RHA Conditions of Carriage, you will need to provide the following, ideally when you

submit the Claim Form.

In the event that the information isn’t immediately available then it must be provided within

one calendar month to prevent the claim being refuted through lack of evidence.

Photographic Evidence Images illustrating the damage you are claiming for. If

you are claiming for damage to multiple items i.e. 10

boxes of 50 on the pallet then we should be provided

with good photographic evidence in support. If you only

provide photos of 1 or 2 boxes then consideration will

only be given to 1 or 2 boxes and not the 10 alleged to

be damaged.

Cost Price Evidence of the actual cost to you of the products. This

is normally a cost price invoice. If one isn’t available

then sufficient information must be supplied as to how

you calculated the cost price.

Sales Price Evidence of the actual cost to the end customer. This is

normally a copy of the sales invoice.

Repair or Rectification cost Evidence of the cost of a repair or settlement with the

customer to retain damaged goods. This is normally the

cost of the repair bill / labour worksheets.

Should the end customer agree to accept the goods

with minor damages we shall require a copy of the

credit note / revised invoice showing the agreed sum.

Packing Note In the event of a claim regarding concealed loss or

damage, evidence such as packing and dispatch notes

are required to confirm the product and quantity

dispatched.

Survey Report, this is a written assessment detailing the damage

caused to the consignment and detailing any salvage

value or repair cost.

This is normally only requested for claims where it is

difficult to assess the damage from the photographic

evidence provided, where the claim is for a significant

amount of damage or where the claim includes product

that may require disposal due to contamination or shelf

life.

Salvage / Secondary market in the case of damage, it is your legal requirement to

act as a ‘Prudent Uninsured’ (what would you do if

there was no insurance covering the goods). This

means that you must assess the salvage value of the

damaged goods and/or investigate the sale of the

goods to a Secondary Market.

This list isn’t exhaustive so depending on the circumstances surrounding a claim you may be

asked for further evidence. If you do have any other information or evidence, then please

include it with your claim, it is always better to have more information than not enough!

**Completing the Claim Form**

A copy of the claim form is included in this pack for reference. Each section must be

completed, the form then signed and dated.

The claim form must be emailed through to claims@cumbrialogistics.co.uk. If you don’t

receive an email acknowledgement within 2 working days then please contact the Office to

confirm receipt.

Cumbria Logistics will then process your claim and advise you of any additional information

required.

Depending on where liability lies and the overall value, we may pass the claim over to one of

our surveyors or place with our insurers to progress.

As every claim situation is different it is difficult to provide timescales for resolution however

rest assured we endeavour to resolve claims as quickly as possible.

**Claim Outcome**

We will normally notify you in writing of the outcome of the claim. This will include whether or

not the claim has been accepted and if so, how the claim value has been calculated. If the

claim has been refuted then we will also advise you of the reasons why.

Once a claim has been concluded and liability accepted then the details are passed to our

Accounts Department who will issue a credit note for the claim amount.

There is no need to raise an invoice for the claim value however if you do then please

ensure that the claim has been agreed and that no VAT has been added to the amount.

You can find out more about VAT and claims by visiting the HMRC website:

http://www.hmrc.gov.uk/vat/managing/special-situations/lost-stolen.htm#4

**Preventing Claims**

Freight presentation and packaging are key to avoiding claims, particularly those for minor

damages. Always ensure that the pallets and packaging you use is good quality and fit for

purpose, providing more than adequate protection for the valuable product underneath.

Remember that your freight doesn’t just stay on the collection vehicle. It will be unloaded and

reloaded several times before reaching its destination so you need to be confident that

the packaging will protect your goods during this transit process.

Our Team will happily provide guidance on packaging best practice for the products

you are dispatching however some general guidelines include:

Ensure the pallets you use are in good condition and are suitable for the weight of the

consignment

 Check no broken slats or blocks

 Check no protruding nails

 Secure your freight to the pallet

 Use banding or wrap the product to the pallet base

 Product must not overhang the pallet

Freight needs to be stable, especially for tall pallets, so there’s no risk of leaning or toppling

 Stack the load, interlocking where possible

 Consider the centre of gravity for the pallet, ensuring it’s not top heavy

Use the correct packaging for your product

 Ensure your product is adequately packaged before you place on the pallet and wrap

 Protect all four sides of your pallet – making sure there’s nothing sharp protruding

 Bagged freight should be protected with cardboard tray, caps and edge protectors

 Barrels and kegs should be banded to the pallet and should not be double stacked

without using trays or stocks to prevent sliding

 Glass or fragile items are best transported in a suitable wooden crate

 Ensure your packaging protects the product from any inclement weather at the

collection and delivery points – all other movements are completed under cover but

these we have no control over

**Clearly label**

All goods should be labelled with the full delivery address or badged using a network label generated by our online portal. When handling over 600 pallets daily with tight time frames for loading / unloading any unidentified pallets can soon go astray. Cumbria Logistics can not be held responsible for missing pallets if they haven’t be addressed before despatch.

 Take off any old labels – particularly if they indicate hazardous contents

 Non-stackable freight needs to be clearly marked, using a non-stack cone is ideal

 Add fragile and this way up stickers as appropriate

We hope you’ve found this document a helpful guide to the procedure, however if you should

have any questions or queries that haven’t been covered then please raise them with us

immediately so we can address and potentially improve this document for other customers.

**Frequently Asked Questions**

**Why was my claim rejected?**

Unfortunately, some claims we receive we are unable to accept and process. The most

common reasons for this are:

 Claim not notified in writing within the required timescale

 Claim form not received within the required timescale

 Damage not noted on the Proof of Delivery hasn’t been reported within 24 hours

 Claim has become strictly time barred as not settled within 12 months from the

commencement of transit

**What can I do to make sure my claims are not rejected or don’t cover my costs?**

 Make sure that everyone within your organisation who could potentially handle a

customer claim are aware of the timescales for reporting claims and have a copy of

the claim form to hand.

 Make sure your customers are aware they have a limited time window for reporting

damage, especially if they signed the POD without noting the damage.

 Make sure that the standard RHA Conditions of Carriage liability limit of £5.00 per kg

is sufficient to cover the cost price of your goods. If not then take out the Extended

Insurance Cover or arrange your own Goods in Transit insurance.

**Why do claims take so long?**

Unfortunately, it can take some time as often insurance companies are involved and there is

a lengthy communication channel between ourselves, other Network partners and the

relevant insurance companies. We do try and minimise the time period however sometimes

the delay is because the third party will ask for additional evidence. You can help minimise

delay by providing all the required evidence when the claim form is submitted.

**What happens if I don’t have all the evidence required when I submit the claim?**

Unfortunately, in some instances the claim cannot be processed without the evidence

required. Normally we have a limited time period during which we can add the information to

the claim. If you don’t have all the evidence to hand when you submit the claim, please

advise the likely timescale and we’ll add this information as a note to the claim.

**Can I dispose of the damaged goods**?

Not until the claim has been finalised. This is in case further evidence or assessment is

required and, in the event that the claim is paid for the cost price then we, or our network

partners, are entitled to request collection of the goods so that we can reclaim any salvage

value possible. If the goods are foodstuffs so have a shelf life that is being exceeded then

please advise us and you will need to obtain a Certificate of Disposal.

**How will you pay the claim amount once it’s agreed**?

Our Accounts Department will raise a credit note for the agreed claim value

**The same products get damaged, why?**

It may be worth checking that you’re packaging, and freight presentation are suitable for the

freight you’re transporting. For example, we find that bagged freight can incur minor damage

during transit if pallet trays, caps and edge protectors aren’t used, particularly if thin plastic

bags are used for the product.

**I’m left out of pocket because I can only claim for product value and transport costs!**

Consequential loss, such as engineer costs where a shipment is delayed, aren’t covered by

the RHA Conditions of Carriage. If you are sending out time critical freight where significant

costs could be incurred for delay in the unfortunate event of a damaged pallet, then it may

be worth considering taking out your own specialist Goods in Transit insurance or adjusting

the delivery dates.