

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 most 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 $100 \times £5.00 = £500$

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 $500 \times £5.00 = £2,500$

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 delivery
- Submit online 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
- Submit online claim form to Cumbria Logistics Ltd within 21 working days of the collection date

If the written advice and Claim Form are not received / Submitted 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 submitting our online claim form.

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 online 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 submitting online claims form, including details of the consignment and damage.

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!

Submitting the Claim Form

A copy of the claim form can be found on a link under the insurance tab on our website www.cumbrialogistics.co.uk . Each section must be Completed before submission.

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.

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 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.

Can I withhold or delay paying invoices for other consignments while I have claim in process? No - Any outstanding payments to Cumbria Logistics Ltd for previous or future shipments can not be withheld while a claim is being processed.

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.