

## Case Studies<sup>1</sup> Issue 3: November 2010

### CASE 1- Loss Of Item

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#### **Cost of packaging and pursuing complaint**

The customer (“C”) sent two Playstation controllers (the “Item”) using a service which aims to deliver items the next working day (the ‘Service’). The Item was purchased from the C by the Recipient at a cost of £16.75, plus £5.98 postage and packaging, and was lost in the postal system.

The Postal Service Provider (“PSP”) awarded C £16.25 compensation for actual loss plus £2.65 as a refund of the postage paid. The PSP later acknowledged the £0.50 deficit and awarded 12 First Class stamps to the value of £4.68 in recognition of this and any inconvenience caused.

C claimed £22.00 compensation for the packaging costs and for the time and money spent in pursuing the claim; such as printing costs, in addition to £11.00 compensation for the stress, anxiety and inconvenience suffered as a result of the complaint handling by the PSP.

#### **Adjudicator’s Decision:**

C’s claim failed.

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<sup>1</sup> Cases can be referred to by giving the case study edition number followed by the case number. For example, **1:01** is a reference to edition 1 of the Case Studies, Case 01. The Case Studies are summaries of cases they are not the full case. They are merely a guide rather than a precedent. In each case there are circumstances which are particular to that case, which have been considered and have lead to a particular Decision being made by the adjudicator.

**Reasons:**

Under the service used, packaging costs may be compensated if evidence of value is provided. C did not submit any evidence to substantiate any packaging costs and therefore could not be compensated for this claim. Also, the Service used only provides compensation for “actual loss”, meaning the value of the Item lost, which in this case was £16.75. Other losses which were incurred by C as a consequence of the claim were “consequential losses”, not recoverable unless specific compensation cover were to be purchased; which was not in this instance.

In relation to the PSP’s complaint handling, the Adjudicator was satisfied that all responses were issued in a timely and appropriate manner. The initial error in the amount awarded was rectified and C did not prove that any further stress, anxiety or inconvenience was caused by the PSP; therefore this claim did not succeed.

## CASE 2- Service Error

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### **Item intended to be sent by Special delivery then lost**

The customer (“C”) sent items to the value of £245.97 (the “Item”) using a service which provides compensation of up to £500.00 (the ‘Service’). C purchased postage for the Service online at a cost of £7.55 and a postage label was created which C used to send his Item. At the time of posting C was given a Certificate of Posting for a different service which only provided compensation of up to £39.00.

The Postal Service Provider (“PSP”) awarded C £39.00 compensation for actual loss plus £7.55 as a refund of the postage paid based on the evidence provided, being the Certificate of Posting.

C claimed compensation in the sum of £245.97 for the direct loss he had suffered.

### **Adjudicator’s Decision:**

C’s claim succeeded in part, and he was awarded £199.42.

### **Reasons:**

Under the Service used, compensation may be awarded where evidence of posting and evidence of the Item’s value can be provided. The Adjudicator requested evidence that C purchased postage to send the Item using the Service. On provision of this evidence the Adjudicator was satisfied that C had paid for the Service, attached a postage label to his Item in order for it be sent by the Service and therefore had a reasonable expectation that his Item would be sent by the Service. Having paid for the Service, with adequate compensation cover for his Item, he was entitled to receive compensation up to the full value of the item. The PSP had already awarded C £46.55 and therefore the PSP was directed to pay C the remaining sum of £199.42.

## **CASE 3- Damaged Item**

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### **Item not packaged adequately**

The customer (“C”) sent two ceramic pieces valued at £183.30 (the “Item”) using a service which provides compensation of up to £500.00 (the ‘Service’). C packed one part of the item tightly inside the other using cushioning material and then placed the Item in a cardboard box filled with air pockets. On delivery the outer part of the Item was damaged.

The Company rejected C’s claim on the basis that the Item was not packaged adequately, specifically that the two pieces should have been wrapped separately and that it was apparent that the inner piece had caused the damage to the outer piece due to the insufficiency of the packaging.

C claimed compensation in the sum of £183.30 for the direct loss she had suffered.

### **Adjudicator’s Decision:**

C’s claim failed.

### **Reasons:**

Compensation cannot be awarded where the terms and conditions of the Service are not followed. The adjudicator was satisfied that the Customer packaged the Item adequately in consideration of the requirements, irrespective of the fact that the two pieces were not wrapped separately. However, the adjudicator found that the Item was “fragile” under the Company’s definition and as such the package should have been labelled with the wording “fragile handle with care”. The adjudicator found this to be a significant condition of the Item’s carriage as this label would have put those transporting

the Item on notice that it required special care in its handling. In the absence of such a label, it was neither fair nor reasonable to impose liability on the Company for the damage to the Item.

## **CASE 4- Address Details**

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### **Item sent to address then lost**

The customer (“C”) sent a package containing trousers worth £36.00 (the “Item”) to a recipient (“R”), using a service which provides compensation of up to £41.00 (the “Service”). C posted the Item using an address label provided by R.

The Item was not delivered to R and was deemed by the Postal Service Provider (PSP) to be lost. The PSP rejected C’s claim on the basis that the address used to send the Item was incorrect.

C claimed compensation in the sum of £36.00 for the direct loss he had suffered.

### **Adjudicator’s Decision:**

C’s claim succeeded and he was awarded £36.00.

### **Reasons:**

Compensation cannot be awarded where the terms and conditions of the Service are not followed and one such term is that items are addressed correctly. The PSP submitted that C had failed to address the Item correctly as he had not provided a door number and street name, nor had he provided the town name. The PSP referred to R’s website in support of the correct address. The adjudicator found that the PSP’s published information accepted that the name of a property could be given in place of the door number and street name, and that C had indeed provided the name of the property. Further, that R’s website did not evidence the town name as stated by the PSP and in fact corroborated the address provided by C. The adjudicator was therefore satisfied, on the balance of probabilities, that C had used the full and correct address. As C had fulfilled the terms and conditions of the Service, the adjudicator found that it was fair and reasonable to award him compensation for the loss suffered.

## CASE 5- Redirection

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### **Redirection of mail not functioning properly**

The customer (“C”) paid £16.85 to redirect his mail from property A to property B for 3 months running from February to May (the “First Service”). C then moved back to property B and paid £16.85 to redirect his mail from property B to property A for 3 months running from April to July (the “Second Service”). The Second Service failed to operate correctly on a number of occasions.

The Postal Service Provider (PSP) rejected C’s claim for direct loss on the basis that the failures of the Second Service were caused by C’s failure to cancel the First Service prior to setting up the Second Service. The PSP also rejected his claim for complaint handling as its procedures were followed.

C claimed compensation in the sum of £20.00 for the direct loss he had suffered and compensation in the sum of £30.00 for the way in which the PSP handled his complaint.

### **Adjudicator’s Decision:**

C was awarded £16.85 for direct loss and £30.00 for complaint handling.

### **Reasons:**

The adjudicator found that the PSP had not shown that C knew or could have known that it was his responsibility to end the First Service before setting up the Second Service. Bearing in mind that the PSP had provided C with confirmation that the Second Service had been set up, C had a reasonable expectation that the Service he paid for would be provided. As the PSP acknowledged that the Second Service failed to work on a number of occasions, and in finding that this was through no fault of C, the adjudicator considered it fair and reasonable that C be compensated for the loss of the fee paid for the Second Service, as this Service was not provided.

In relation to the PSP's complaint handling, the adjudicator found that on several occasions C was provided with incorrect information and further that, on several occasions, he had been given the expectation that the failures of the Second Service would be remedied and that this did not then happen. Based on the evidence, the adjudicator was satisfied that the way in which his complaint was handled caused C further stress, anxiety and inconvenience.

## **CASE 6- Cash Lost In Post**

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### **Money sent using wrong service**

The customer ("C") sent an envelope containing four cards and £100.00 in cash (the "Item") using a service which provides compensation of up to £41.00 (the "Service"). The Item was not delivered and was deemed by the Postal Service Provider (the "PSP") to be lost.

The PSP awarded C a postage refund and £8.00 for the loss of the cards but it rejected C's claim for direct loss as compensation can only be awarded for money and valuables when sent by the PSP's Special Delivery service.

C claimed compensation in the sum of £100.00 for the direct loss he had suffered.

### **Adjudicator's Decision:**

C's claim failed.

### **Reasons:**

Compensation cannot be awarded where the terms and conditions of the Service are not followed and one such term is that money and valuables should not be sent using the PSP's normal postal services. The adjudicator was satisfied that under the Service used compensation for lost cash could not be awarded and therefore C's claim failed.

## CASE 7- Address Details

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### **Item sent to address then lost**

The customer (“C”) sent a package containing goods worth £140.00 (the “Item”) to a recipient (“R”), using a service which provides compensation of up to £39.00 (the “Service”). C posted the Item using the address provided by R and paid postage fees of £16.94.

The Item was not delivered to R and was deemed by the Postal Service Provider (PSP) to be lost. The PSP rejected C’s claim on the basis that the address used to send the Item was incorrect.

C claimed compensation in the sum of £150.00 for the direct loss he had suffered.

### **Adjudicator’s Decision:**

C’s claim succeeded in part and he was awarded £55.94.

### **Reasons:**

Compensation cannot be awarded where the terms and conditions of the Service are not followed and one such term is that items are addressed correctly. The PSP submitted that C had failed to address the Item correctly as he had not provided the correct door number as stated on the PSP’s system. The PSP referred to other websites in support of the correct address. C provided proof that the Recipient traded under the address that he used and that this address was successfully used by other companies delivering to the Recipient. The adjudicator found that the Recipient would endeavour to ensure it advertised its correct address to customers and suppliers, further that the Recipient would ensure that it registered its correct address as a company. The adjudicator was therefore satisfied, on the balance of probabilities, that C had used the full and correct address. As C had fulfilled the terms and conditions of the Service, the adjudicator found that it was fair and reasonable to award him compensation for the loss suffered. Although C had claimed £150.00, the maximum compensation payable under the Service used was £39.00 plus a postage refund. Therefore C’s claim succeeded in part.

## CASE 8 - Item Lost In Post

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### **Compensation based on actual loss or market value**

The customer (“C”) posted a memory card (the “Item”) to the buyer (“B”) using a service which provides compensation of up to £41.00 (the “Service”). The Item was not delivered and was deemed by the Postal Service Provider (the “PSP”) to be lost.

C provided evidence that he sold the Item to B for a price of £4.99 plus an additional £2.00 for postage and packaging. The PSP awarded C a postage refund but it rejected C’s claim for direct loss as C had not provided evidence of his actual loss, being the amount it cost C to originally purchase the Item, rather than the market value of the Item.

C claimed compensation in the sum of £6.99 for the direct loss he had suffered.

### **Adjudicator’s Decision:**

C’s claim succeeded in part and he was awarded £4.99 for the direct loss suffered.

### **Reasons:**

Compensation is awarded based on the actual loss suffered or the market value of the item, whichever is the lesser sum of the two. The adjudicator was satisfied that C had provided evidence of the market value of the Item. In the absence of any evidence of the actual loss suffered and in the absence of any evidence that this sum may have been less than the market value, the adjudicator considered it fair and reasonable that the PSP compensate C for the loss of the market value of the item. As C had already received a postage refund, the claim succeeded in part.

## **CASE 9- Item Not Delivered**

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### **Lack of basis for compensation**

The customer (“C”) was the intended recipient of an item of mail (the “Item”). The Item was not delivered to C and was deemed by the Postal Service Provider (the “PSP”) to be lost.

The Item was posted to C but it was not delivered. C did not know who sent the Item or what the Item contained. C complained to the PSP who then failed to handle the complaint in an appropriate manner. The PSP refused to pay compensation for direct loss as C had not proven that any loss had been suffered but the PSP did award C £25.00 in view of the problems experienced during the complaints process.

C claimed compensation in the sum of £50.00 for the direct loss he had suffered and a further £50.00 for the stress, anxiety and inconvenience suffered as a result of how his complaint was handled.

### **Adjudicator’s Decision:**

C’s claim failed.

### **Reasons:**

Compensation is awarded where a customer provides proof of posting and proof of value. The adjudicator accepted that the Item was intended for C and had been lost but, in the absence of any evidence of the contents or value of the Item, the adjudicator was unable to direct that the PSP pay any compensation for the loss. The adjudicator was satisfied that C was caused stress, anxiety and inconvenience as a result of how the complaint was handled, however, noting that the PSP had already awarded £25.00 in relation to this, the adjudicator was satisfied that this amount was both fair and reasonable and that no further amount of compensation should be awarded.