

## Case Studies<sup>1</sup>

### Case 01

#### Compensation and Evidence required

#### Item not delivered

The Customer (“C”) sent “two large folders of First Day Cover stamps (“the Item”) using a service which guarantees delivery by 1 pm the next working day after posting. The Item was not delivered to the recipient and was deemed lost.

C submits that the service purchased provided “automatic compensation” in the event of the Item being lost or damaged. The Postal Service Provider (PSP) did not compensate C as she did not submit additional evidence in support of the loss incurred.

PSP submits that customers can claim up to £500.00 or the value of the item, whichever is lower, subject to receiving evidence of the actual loss sustained. Evidence such as a valuation or evidence of sale price would have allowed the PSP to determine the value of the Item. C submitted a copy of a winning bid for an item similar to the one in question. The PSP rejected the evidence as it did not corroborate the actual loss C sustained.

#### Adjudicator’s decision:

C’s claim for direct loss fails.

#### Reasons:

The evidence provided by C did not provide proof of the direct loss sustained, as the evidence related to a similar product for a different quantity. Consequently, in the absence of substantive evidence in support of the amount claimed the Adjudicator was unable to award the sum claimed.

### Case 02

#### Loss incurred as a consequence of delay

#### Delay

The Customer (“C”) sent a letter containing financial documents (“the Item”) by a service which guarantees delivery by 1 pm the next working day after posting, to Companies House. The Item was guaranteed to be delivered on 30 June 2009. However, the Item was delivered on 1 July 2009. As a consequence of the delay caused in delivering the Item, C incurred financial losses in the form of a fine.

The postal service provider (“PSP”) acknowledged the delay and apologised to the C. The PSP did not compensate C as the loss incurred was of a consequential nature which was not covered by the terms of the service purchased.

<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 a summary of a case, 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.

Adjudicator's decision:

C's claim for direct loss failed. C did not purchase the necessary consequential loss protection. In the absence of any evidence which proved that C had purchased the necessary protection the Adjudicator decided that it would be unfair and unreasonable for the PSP to recompense C.

**Case 03**

**Delay and consequential loss**

**Delay**

The Customer ("C") received numerous items of mail, including cheques dating back to July 2007.

The items were not delivered to C as the company holding them was undergoing refurbishment. C was unable to cash the cheques as they had expired. Consequently, C claimed direct loss.

The Postal Service Provider ("PSP") submitted that the mail was returned to C at the earliest opportunity. However, PSP could not compensate C as the loss incurred was of a consequential nature because the delayed cheques did not have any intrinsic value. Furthermore, C did not provide any evidence that the necessary consequential loss protection was purchased at the time of posting.

Adjudicator's decision:

C's claim for direct loss failed.

Reasons: C's claim in essence was about the loss incurred as a consequence of the delay caused by the PSP in delivering mail. Cheques do not have an intrinsic value or any inherent value unless honoured. C did not provide evidence that cheques were honoured. Consequently, C's claim for direct loss failed.

**Case 04**

**Denial of receipt**

**Acknowledgement of receipt**

The Customer ('C') sent gold coins in three separate parcels to the recipient using a service which guarantees delivery by 1 pm the next working day after posting.

The recipient notified C that he had signed for two of the three parcels. C checked the Postal Service Provider's (PSP) website which stated that the third parcel had been delivered to the recipient. The PSP had sent C proof of delivery illustrating that the third parcel had been delivered. C submitted that the proof of delivery was not conclusive as there was no signature obtained for the third parcel.

The PSP asserted that the recipient had signed for seven items on the day of delivery by spanning his signature across the delivery sheet. The recipient did not question the whereabouts of the third parcel at the time of delivery.

Adjudicator's decision:

C's claim for direct loss failed.

Reasons: The Adjudicator found that on a balance of probabilities the recipient had acknowledged receipt of the third parcel. It is the recipient's duty to raise questions

at the point of delivery and to correctly sign for items. It would have been unfair and unreasonable to direct the Company to recompense C as the correct delivery procedure was followed.

## Case 05

### Claim for direct loss suffered as a result of a delivery error.

#### Delivery error

The Customer ('C') was the intended recipient of an item sent to her using a service which guarantees delivery by 1pm the next working day after posting.

The Postal Service Provider ('PSP') attempted to deliver the item to C in accordance with the specifications of the service. C was not available to acknowledge receipt and therefore the PSP returned the item to its delivery office.

C requested that the item be redelivered to her address and submitted that the PSP did not deliver on the requested dates and times. The item did not reach C and was subsequently returned to the sender. C did not have the item which she purchased. Consequently, C purchased a replacement at an additional cost.

The PSP acknowledged that one of the requests was not carried out; an apology was given to C. The PSP asserted that the delivery failure did not fall within the scope of the POSTRS scheme.

#### Adjudicator's decision:

C's claim for direct loss succeeded.

Reasons: The Adjudicator found that C's claim for direct loss succeeded and the PSP must apologise to C for not fulfilling C's request to have the item redelivered on a specific date and time.

The delivery error did fall within the scope of the POSTRS scheme as it related to one or more of the products or services provided by the PSP. Furthermore, mail once accepted into the postal network using the PSP's product or service can reasonably be expected to be delivered.

C made reasonable endeavours to mitigate losses by providing the PSP with opportunities to redeliver the item.

The item was not delivered to C and as a result C suffered direct loss. In the circumstances it was fair and reasonable to direct PSP to recompense C for the replacement of the item.