Customer Claims Guide

Important information

Edge Transport Terms of Trade

Edge Transport, alongside our Palletline and subcontractor partners, trade under the Road Haulage Association Conditions of Carriage (Current Edition) and Road Haulage Association Conditions of Storage (Current Edition). The RHA have thousands of members across the UK all trading under these conditions so that there is a set industry standard.

These Conditions are very specific in terms of how to handle claims and put simply, failure to adhere to the correct procedure will result in the claim being rejected by Edge Transport, our insurers and network partners. This is something that we wish to avoid, for the benefit of our customers.

Claims Liability

RHA Conditions of **Carriage** limits liability as follows:

- Clause 11(1) physical loss or damage to the goods at £1,300.00 per tonne
- Clause 11(2) any other claim (howsoever arising) limited to the carriage charges paid for the consignment

RHA Conditions of **Storage** limits liability as follows:

- Clause 11(1) physical loss or damage to the goods at £100.00 per tonne
- Clause 11(2) any other claim (howsoever arising) limited to the carriage charges paid for the consignment

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 £1.30. Every kilogram of product we store for you is insured to the value of £0.10.

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.

Now, for the majority of our customers the cost price of the goods exceeds £1.30 per kg so we offer an Extended Insurance Cover service to increase the limit of liability to £5,000 per tonne (£5.00 per kg) or a maximum of £10,000 per tonne (£10.00 per Kg). The cost of this Extended Insurance Cover varies depending on the volume of freight we handle for you and the value of those goods with a tailored quote being provided by our insurance broker.

Without this extended insurance in place Edge cannot, and will not, cover any amount in excess of £1,300 per tonne (£1.30 per kg) for distribution or £100 per tonne (£0.10 per kg) for storage. You must arrange your own Goods in Transit insurance and/or Storage insurance is in place to cover any shortfall in the event of a claim.

If the cost price of your goods exceeds £10,000 per tonne (£10 per kg) then we recommend that you take out your own specialist Goods in Transit policy to ensure that you are fully covered in the event of a claim.

Important information

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

Pallet 1	Goods collected for onward distribution Goods weigh 100kg Goods cost you, the customer, £100.00 The maximum liability based on weight is 100 x £1.30 = £130.00 Limit of liability for these goods would be £100.00, your cost price
Pallet 2	Goods collected for short or long term storage Goods weigh 500kg Goods cost you, the customer, £875.00 The maximum liability based on weight is 500 x £0.10 = £50.00 Liability for these goods would be limited to £50.00 which is far less than your cost price

Extended Insurance Cover Check

We recommend that all customers complete the following Extended Insurance Cover check to confirm that the standard limits are suitable for the freight that you're sending. Calculate:

Distribution

Average weight (kg) of your consignment ______________

Typical cost price value of your consignment ______________

Divide the cost price by the Weight ______________

If this value is more than £1.30 per kg then you would need the extended insurance service to cover the actual cost of your goods (up to £5,000 per tonne) in the event of a claim.

If this value is more than £5 per kg then we recommend you consider arranging your own specialist Goods in Transit insurance as even the Extended Insurance Cover may not be sufficient for some of your claims.

Warehouse

Average weight (kg) of your consignment ______________

Typical cost price value of your consignment ______________

Divide the cost price by the Weight ______________

If this value is more than £0.10 per kg then you would need the extended insurance service to cover the actual cost of your goods (up to £5,000 per tonne) in the event of a claim.

If this value is more than £5 per kg then we recommend you consider arranging your own specialist Goods in Transit insurance as even the Extended Insurance Cover may not be sufficient for some of your claims.

Important information

CMR – Convention on the Contract for the International Carriage of Goods by Road.

If the consignment you are claiming for is being imported or exported then CMR might apply. If covered by CMR then your consignment will have been accompanied by a CMR Waybill and manifested or advised to Edge as a CMR consignment.

As a result the claim will be handled slightly differently to RHA Conditions of Carriage claims so please contact us for further information.

Timescales

You must notify us of a claim within the required timescales. These timescales vary depending on the type of claim and whether or not a clean proof of delivery was obtained at the delivery point.

Summary – Distribution

Distribution Damage – not noted on POD	**Inform Edge of damage, in writing, within 24 hours of delivery**	**Send claim form to Edge within 14 working days of the delivery date**
Distribution Damage – noted on POD	**Inform Edge in writing of intention to claim, within 7 working days of the delivery date**	**Send claim form to Edge within 14 working days of the delivery date**
Distribution - Pallet loss	**Inform Edge in writing of intention to claim, within 28 working days of the collection date**	**Send claim form to Edge within 42 working days of the collection date**
Warehouse – Product shortage	**Inform Edge in writing of intention to claim within 7 working days of identification of shortage**	**Send claim form to Edge within 14 working days of the date the shortage was identified**

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 it's inspection and accompanied by an engineer's/ surveyor's report, submitted stating exactly what damage has been found, why Edge Transport are liable and should also include itemised repair invoices.

Where the goods are foodstuffs and subject to a shelf life then they can be disposed of after this date as long as a Disposal Certificate is obtained and retained as evidence and subject to our insurer confirming that they do not require an inspection.

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 Edge **within 24 hours** of the delivery being accepted by way of an email to traffic@edgetransport.co.uk including full details of the consignment, damage identified and evidence that this would have happened during transit and not post delivery. If the damage is not reported within this timescale then it is deemed to have occurred after the delivery. You will then need to forward a completed and signed Claim Form to Edge **within 14 working days** of the date of the delivery.

Photographic evidence must be provided to illustrate the damage noted alongside packaging information to evidence that the damage was caused during transit and not after the delivery was completed.

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. 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.

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 Edge of your intention to claim **within 7 working** days of the date of the delivery by way of an email to traffic@edgetransport.co.uk including details of the consignment and damage.

This must be followed by a completed and signed Claim Form to be received by Edge **within 14 working days** of the date of the delivery.

Claiming for Loss

Thanks to the tracking systems Edge 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 Edge **within 28 working days** of the collection date and then submit a completed and signed Claim Form **within 42 working days** of the collection date.

If you are notified by Edge of a shortage on your product stock holding or complete a stock check or stock take which identifies a shortage in stock held then you must notify Edge **within 7 working days** of that date that you intend to claim, and submit a completed and signed Claim Form **within 14 working days** of that date.

Claim Value

The value of the claim, quantum, has to be proved by the customer so you will need to provide evidence to support your claim.

Where you have provided replacement goods to the customer, or the goods were in storage and not yet sold to a specific customer, then you can claim for the actual cost price of the damaged goods up to the limit of liability.

Where the goods had been sold and you haven't provided replacement goods to the customer, for example the order has been cancelled or the goods were unique, then you can claim for the actual sales price of the damaged goods up to the limit of liability as you are unable to replace that sale. This is subject to receipt of a credit note confirming that the customer had been issued credit for this amount.

You can only claim for those goods that were actually damaged or lost. For example if a pallet was sent containing 12 cartons of product and only 1 carton was damaged then you can normally only claim for the 1 carton that was damaged.

You may be entitled to claim for some additional costs (other than physical loss/damage) for example additional transport costs but these are limited to the original transport costs paid for the consignment (see RHA section 11(2) as discussed above).

It's worth noting that to include this in your claim value, you must state this on the claim form, and that the amount claimable is calculated pro rata based on the overall consignment cost.

Where the goods have been accepted by the end customer and you have repaired the damage or provided the customer with a discount to retain the goods, then you can only claim for the lower of the cost price or this value. You must also provide evidence of this arrangement.

Completing the Claim Form

A copy of the claim form will be sent out when you notify us of your intent to claim. Each section must be completed with as much information as possible, the form then signed and dated.

The claim form must be emailed through to the claims@edgetransport.co.uk. If you don't receive an email acknowledgement within 1 working day then please contact the Office to confirm receipt. If you're sending large files (such as jpeg photos) with your claims form then please do not exceed 5mb per email.

Edge will then process your claim and advise you of any additional information required. Depending on where liability lies and the overall value, the claim may be placed with the Palletline insurance brokers or with our own 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.

Supporting Evidence

As with any insurance claim, you need to provide evidence of the amount you are claiming. Under RHA Conditions of Carriage and RHA Conditions of Storage 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.
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. If the cost price invoice is for imported goods and does not show import duty and freight costs then these can be advised separately.
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.
Signed Collection Note	In the event of a loss claim then evidence must be provided that the pallet(s) where collected by Edge or a network partner. This is usually a copy of the collection note signed and dated by the Driver.
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.

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!

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 raise a credit note for the claim amount, normally within 2 working days.

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

How to make sure your claims are not rejected

Make sure that everyone within your organisation who could potentially handle a customer claim are aware of the timescales for reporting claims, the general claims process and the information that will be required.

Make sure your customers are aware they must inspect the goods before signing the POD and must clearly mark the documentation with any damage or shortage noted.

If your customer has signed a clean POD then they have a limited window of time in which to notify you of damage and will need to evidence that the damage occurred during transit.

Make sure that the standard RHA Conditions of Carriage liability limit of £1.30 per kg and RHA Conditions of Storage limit of liability of £0.10 per kg are sufficient to cover the cost price of your goods. If not then please ensure you take out the Extended Insurance Cover or arrange your own Goods in Transit and/or storage insurance.

Please ensure that you don’t dispose of any goods relating to a claim before the claim has been settled in full as the liable party may wish to inspect or request right of salvage.

Important information

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.

Your freight can be handled several times during storage and before reaching its final destination so you need to be confident that the packaging will protect your goods during this transit process.

Our Sales 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
    - 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.