

Issue 1
September 2009

Case Studies¹

Case 01

Protective Packaging

Damage to an item during transit

The Customer (“C”) sent a laptop computer (“the Item”) using a service which guarantees delivery by 1 pm the next working day after posting. The Item, purchased by the Recipient for £495.00, was damaged in transit beyond economical repair and delivered to the Recipient in a damaged condition.

C submits that the Item’s packaging met, if not exceeded, the guidelines of the postal service provider (“PSP”). The Item was packaged in protective material providing 14 cm of cushioning inside a rigid box. Such box was placed inside a larger, more rigid carton, and the gaps were filled with cushioning. C sent the Item and the original packaging to PSP for inspection.

PSP submits that there was no second rigid container and that the packaging requirements were not met. PSP, upon second inspection, came to the conclusion that the outer container revealed no sign of damage and therefore held that the damage to the Item cannot have occurred during transit.

Adjudicator’s decision:

C’s claim succeeds in full. PSP shall pay C full compensation for the Item plus a full refund of the postage fee of £20.70.

Reasons:

The submissions and photographic evidence provided by both parties show that C packaged the Item in accordance with PSP’s guidelines and that the Item was damaged in transit.

Case 02

Loss of Item

Cash-back vouchers

The Customer (“C”) sent a cash-back voucher (“the Item”) by a service which guarantees delivery by 1 pm the next working day after posting, to a company for redemption. The Item was lost and therefore could not be redeemed. Consequently, a second voucher became invalid because the Item had not been redeemed.

The postal service provider (“PSP”) provided incorrect information to C. At the final stage of its complaints process, PSP erroneously assumed that C had used a service which does not offer compensation if vouchers are sent, and therefore rejected any payment. The PSP’s Customer Service Department found that only

¹ 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.

the delivery fee of £4.60 was to be refunded and wrongly regarded the loss of the Item as consequential loss.

Following more correspondence from C, PSP realised that the loss of the Item was in fact direct loss and therefore compensation for the lost Item was paid to C. However, compensation for the second voucher was not payable because its invalidity was correctly regarded as consequential loss.

Adjudicator's decision:

C's claim succeeds in part. PSP shall pay C compensation in the total sum of £30.00 for the stress, anxiety or inconvenience C suffered as a result of PSP's complaint handling.

Case 03

Deadlock letter issued in error by PSP

International Mail

C sent stamps ("the Item") to the Recipient in France by using a service offering fast delivery to many destinations abroad, including tracking in the UK and up to £500 compensation cover ("the Service"). The French postal services 'La Poste' maintained that the Item had been delivered to the Recipient and had been signed for. The Recipient insisted that he had not received the Item. La Poste refused to investigate the matter.

C claims compensation for the lost Item and also £50.00 compensation for the stress, anxiety or inconvenience suffered as a result of the complaint handling by the UK postal service provider ("PSP").

PSP submits that it issued a deadlock code in error and that the Service falls outside the scope of POSTRS.

Adjudicator's decision:

C's claim succeeds in part. PSP shall pay C 50% of the claimed compensation for the lost Item.

Reasons:

If a customer receives a deadlock letter from PSP such customer has the right to use POSTRS to resolve the complaint, whatever the circumstance. Therefore the adjudicator's necessary jurisdiction was established.

It was not disputed that C used the Service and "purchased enhanced compensation" as stipulated in PSP's information guide. The parties did not submit sufficient evidence to establish a strict liability of PSP to pay compensation. However, C had a reasonable expectation to receive compensation from PSP if the Item was lost. The product description of the Service as published on PSP's website and advertised to the public is misleading. The marketing of this product creates the impression that the customer purchases insurance from PSP. It follows that the customer may also claim payment under such "contract or insurance" from PSP. The adjudicator found that in view of PSP's literature on the Service, PSP has a duty of care towards C. If claims against PSP under the Service may only be made whilst the item is still in the care of PSP, this should be made clear to customers purchasing such Service.

Case 04

Claim for loss suffered as a result of missing mail

Redirection of Mail

The Customer ('C') purchased a redirection of mail service (the 'Service') from the postal service provider ('PSP'). The Service purchased by C was to allow C an opportunity to continue to receive mail whilst in the process of notifying senders of the new address. The Service then allows senders not yet aware of the new address to send mail to C's old address, which is then redirected to C's new address.

The Service had failed to operate causing C to suffer loss as a result of not having important correspondence being delivered to C's address. Correspondence not delivered to C included financial documentation.

PSP had provided C assurances that the Service was rectified, however, the Service continued to fail. PSP was unable to determine the whereabouts of C's missing mail.

PSP decided that under the terms and conditions of the Service, PSP was not liable to pay C any compensation for losses that are of a consequential nature.

Adjudicator's decision:

C's claim succeeds in part. PSP shall award C £50.00 for the way in which C's complaint was handled. PSP should apologise to C for the repeated failure of the Service. PSP must award C two books of first class stamps. PSP should make every reasonable effort to locate C's missing post.

C's claim for consequential loss fails. C's request for confirmation that her mail has not been stolen or tampered with fails. C's claim for direct loss succeeds.

Case 05

Claim for loss, stress and inconvenience

Loss of Item

For the purposes of this case study, 'the Service' means a service which guarantees delivery by 1pm the next working day after posting. The Service is one of a number of services provided by the postal service provider ('PSP').

The Customer ('C') used the Service to send a mail packet, containing a number of ceramic items valued at £220.00, to the recipient. C submitted that the mail packet was not delivered to the destination address. C claimed the sum of £220.00 to cover the cost of the lost items. C claimed a further sum of £20.00 for the stress, anxiety or inconvenience she had suffered as a result of how the PSP had handled her complaint. The PSP contended that it had delivered the mail packet to the destination address.

Adjudicator's decision:

The Adjudicator found that section 92(7) of the Postal Services Act 2000 imposed an obligation on the PSP to show that it had not lost the mail packet. The evidence submitted by the PSP did not satisfy the Adjudicator that the PSP had managed to discharge the burden placed upon it by section 92(7). However, the Adjudicator was satisfied that the PSP had handled the complaint in accordance with its complaint-handling procedures. Consequently, the Adjudicator directed the PSP to pay C the sum of £220.00 to reimburse her for the cost of the lost items, but dismissed C's claim to be paid a further sum of £20.00 for stress, anxiety or inconvenience.

Case 06

Damage to ceramic plate during transit

Damaged Item

For the purposes of this case study, 'the Service' means a service provided by the postal service provider ('PSP') which aims to deliver parcels within the UK within three to five working days after posting.

The Customer ('C') sent a plate using the Service. The recipient received the plate in a damaged condition. C submitted that the plate was damaged whilst in the custody of the PSP. C claimed compensation for the cost of replacing the damaged plate and the cost of postage and packaging. C also asked the Adjudicator to direct the PSP to improve its website.

Adjudicator's decision:

The Adjudicator found that the PSP should reimburse C for the cost of postage and packaging, but not for the cost of replacing the plate since liability for damage to ceramic items is excluded by the terms of the Service.

The Adjudicator also found that the PSP's website would benefit from improvements, but decided that it would be inappropriate in the circumstances to use his powers to direct the PSP to revise its website. Instead, the Adjudicator recommended that the PSP continues to review the layout and content of its website, giving particular consideration as to whether it would be better, from a customer's perspective, to have all the terms and conditions about a product, or service, on one web-page.

Case 07

Lost birthday card and gift vouchers

Loss of Item

For the purposes of this case study, 'the Service' means a service where a signature is obtained on delivery. The Service is one of a number of services provided by the postal service provider ('PSP').

The Customer ('C') used the Service to send a mail packet ('the Packet') to the Recipient. The Packet contained a birthday card and four gift vouchers (each worth £5.00). C asserted that the PSP had lost the Packet. As the PSP was unable to locate the Packet or its contents, it provided C with six stamps as compensation. C was not satisfied with the compensation provided by the PSP. Consequently, C claimed compensation in the sum of £20.00 and asked the Adjudicator to direct the PSP to apologise.

Adjudicator's decision:

The Adjudicator found that the PSP was not liable to pay compensation for the lost vouchers, since the terms and conditions of the Service exclude liability for lost or damaged 'Valuables', and vouchers fell within the definition of 'Valuables' as set out in the terms and conditions. However, the Adjudicator found that the PSP should (i) reimburse C for the cost of the birthday card, and (ii) provide C with an apology for losing the Packet.

Case 08

Cash sent by Post

Refusal of Compensation for

The Customer ("C") sent £20.00 enclosed in a card ("the Item") by a service which aims to deliver a mail item the next working day after posting and also obtains a

Loss of Item

signature on delivery. Delivery was attempted, but the recipient was not at home to sign for the Item and no further attempts of delivery were made. C did not write her address on the reverse of the Item.

The postal service provider (“PSP”) had transferred C’s Item to its “lost and found” department. In the absence of a return address on the reverse of the Item, the PSP could not post the Item back to C’s address. C’s Item was lost at the PSP’s “lost and found department”. The PSP refused to pay compensation to C as cash and valuables should not be sent using the service purchased by C. The service purchased by the C does not offer compensation cover for valuables and cash.

Adjudicator’s decision:

C’s claim fails. C did not comply with the terms and conditions of the service used. C did not purchase the appropriate service which enables valuables and cash to be sent through the postal system. The PSP is not liable to pay compensation where its terms and conditions have not been fulfilled.