



Office of Utility Regulation

Guernsey Post Ltd

Investigation into Dispute D01/03

Summary of Finding

Document No: OUR 03/30

October **2003**

Summary

In June 2003 the Office of Utility Regulation (“OUR”) received a complaint report from the Trading Standards Services (“TSS”) concerning a compensation claim disputed by Guernsey Post Limited (“GPL”). The complaint was referred to OUR after a satisfactory outcome was not achieved following arbitration by TSS. The complainant claimed to have purchased insurance from Guernsey Post for a parcel containing an electric item which was posted to the UK and was received at its destination in a damaged condition. GPL rejected the claim on the basis that GPL has guidelines that state that no compensation will be paid for electrical items damaged in transit which were not packed in their original packaging. The complainant claimed to be unaware of the requirement to use original packaging at the time of posting while GPL maintained that that the member of staff accepting the parcel would have followed GPL’s standard procedures and would have highlighted the standards of packing required with the sender.

TSS drew the following conclusions in its report to the OUR: firstly, that it was unfair for GPL to reject the complainants claim; secondly the term requiring customers to pack electrical goods in their original packaging is unfair, and that there is an obligation on GPL when accepting parcels for which insurance is paid to inform customers of the terms and conditions of carriage, including the condition relating to packing.

The OUR investigated the complaint affording both parties a number of opportunities to comment and provide any additional information. Proposed findings were presented to both parties for comment. Both parties accepted the finding and GPL confirmed they would comply with the Direction and timescale for providing information to the OUR.

Parcel Acceptance Criteria

In order to review the TSS decision that the term requiring electrical goods to be posted in their original packaging is unfair, the OUR requires further justification and supporting documentation from GPL before a determination can be made. However, so as not to delay the decision on compensation, which is the central issue to this case, the Director General concluded that this will be assessed separately.

OUR Finding

The Director General acknowledged attempts taken by GPL to resolve the dispute and welcomed their proposal to introduce new procedures in order to clarify GPL’s parcel acceptance process. However, having considered all the facts of the case and on the evidence provided, the Director General concluded that there was not sufficient evidence to reject the complainant’s claim for compensation.

The Director General determined, under condition 15.5 of GPL’s licence that, to resolve this complaint GPL should award compensation to the complainant in the amount for which the complainant has produced a receipt. The Director General believed that this should be the full and final compensation payable in this case.

Direction

Therefore, the Director General hereby Directs GPL in accordance with condition 31(3) of the Post Office (Bailiwick of Guernsey) Law, 2001, to comply with the Determination under condition 15.5 of its Licence, and to pay the complainant compensation. This Direction will have immediate effect.

Furthermore, in order to satisfy the Director General that GPL are taking steps to clarify the parcel acceptance process by introducing the procedures proposed during the course of this investigation, GPL shall provide details of how they will implement this new procedure, including inter alia:

- Formal conformation of the details of the new procedure and the date it will be introduced
- How this will be communicated with GPL's staff
- How this will be communicated with GPL's customers.

GPL is required to provide this information by 31st October 2003.

**/ENDS
October 2003**