

Loss of Profit Claims

Frequently Asked Questions



Q. How do I know if I can make a claim?

SES Water will consider claims for loss of profit to a business directly affected by works carried out on a public highway. Whether a business can make a claim depends on the circumstances of each business and the nature of the interruption. For more information please see the Business Loss of Profit Claim Policy.

Q. How do I make a claim?

In writing, by completing the Claim Form fully. When completed this needs to be sent to insurance.claims@seswater.co.uk

Q. What can I claim for?

The loss of gross profit to a business as a direct result of the works or obstruction on a public highway by SES Water. Any additional costs incurred to reduce the loss of gross profit that may be suffered as a result of the interruption (although these sums can not exceed the loss of gross profit avoided). Any savings in expenditure made as a result of the interruption must be deducted from the claim.

Q. What is my gross profit and how do I calculate it?

Gross profit is the revenue or income of the business minus its cost of goods sold or cost of sales. Gross profit is a company's residual profit after selling a product or service and deducting the variable costs associated with its production and sale.

To calculate gross profit you will require the profit and loss account, take the income/revenue/ turnover figure and subtract the variable cost of sales.

Q. Where do I submit my claim form?

The Claim Form needs to be sent to insurance.claims@seswater.co.uk

Q. Who will assess my claim?

The claim will be assessed by our third party claims consultants in conjunction with SES Water and if required our appointed legal advisors. Our third party claims consultants will be responsible for the management of the claim and ultimate settlement with input from us as necessary.

Q. What additional expenditure may I claim?

SES Water may consider compensation for additional expenditure reasonably incurred to reduce or prevent a loss of profit to a business as a result of an interruption/obstruction of the highway. SES Water will not pay for any costs incurred above the loss of gross profit avoided by incurring such costs.

Q. Why do you deduct savings from my claim?

Savings refer to expenses of the business that cease or reduce as a result of the interruption. The purpose of any loss of business payment is to place the business back in the financial position it would have been in but for the interruption. Therefore, if any fixed costs have decreased as a result of a fall in turnover and profit, these must be deducted in the overall claim settlement.

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Q. What are my obligations to reduce the size of my loss?

The business has a duty to take all reasonable steps to minimise its losses as a result of any interruption/obstruction of the highway caused by SES Water. If your losses are exacerbated due to a failure to take reasonable steps to minimise your loss, no loss of business is payable for the level of exacerbated losses.

Q. How long will it take to process my claim?

Upon receipt of a completed claim form and supporting documentation a decision on liability will be confirmed within 6 weeks. If accepted our third party claims administrators will undergo a loss of profit assessment which may take up to 2 months. This may be longer depending on the size and complexity of loss and the speed of response from the claimant business to our requests for information.

Q. Will the cost of any third party advisors be covered?

Reasonable professional fees incurred by the business in relation to the claim may be considered. For claims settled under £10,000 these costs are limited to 10% of the value of the settlement. Any excess fees will be borne by you. For claims that are likely to be settled over £10,000 the business must consult with us to set out at the beginning what fees are likely to be incurred and how the advisors intend to charge. These must then be agreed by us. Copies of all invoices and time recorded by professional third parties must be provided in the claim submission.

Q. Once the claim is agreed when can I expect payment?

Following receipt of a signed settlement agreement, payment will be made into your nominated bank account within 4 weeks.

Q. What documentation will be required to be able to make a claim?

The documentation each business will need to provide will differ depending on the nature of the business. However, as a minimum, the following must be provided with each claim form.

- Financial Statements for the most recent financial year end that corresponds to the date of the interruption including the detailed profit and loss account and for two years preceding this set of financial accounts
- Weekly sales for the 24 months prior to the loss up to the end of the period of interruption.
- Monthly management accounts for 24 months pre dating the interruption and post interruption up to the end of the period of interruption
- VAT returns (if VAT registered) for the above period
- A copy of all invoices for any additional costs incurred plus a description of the nature of the cost
- A copy of all invoices for professional fees claimed including a breakdown of all time recorded by activity including narrations
- Any reports from an accountant or a valuer that may have been relied upon in formulating the claim
- Copies of the business insurance certificates and policies
- Other documents may be requested by an appointed third party on our behalf to enable assessment of the claim.

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Q. We know we have lost customers but how do we prove it?

Any loss of profit needs to be evidenced by supporting documentation. An analysis of sales should reflect actual sales and thus customers lost to the business.

Q. What happens if we can't agree with SES Water on a settlement amount?

If there is any dispute either as to whether we are liable to pay loss of business or as to the amount of the claim, there is a procedure under the Water Industry Act 1991 for the parties to refer the dispute to an independent arbitrator to be resolved.

Q. What is the Water Industry Act 1991 and why is it relevant?

The Water Industry Act 1991 schedule 12 outlines the circumstances where an individual can claim for loss of profit from a relevant undertaker.

Loss of profit will be due and payable where it can be shown that loss or damage has been incurred as a result of carrying out essential works to the network of pipes, including those in the public highway.

Whilst exercising the powers conferred on the undertaker, it is their duty to cause as little loss and damage as possible.

If in breach of this then a water company may be liable to pay compensation to a third party. For example, obstruction of a highway, and as a result of that obstruction a business was subsequently affected that business may be able to claim compensation from the water board company for the resulting lost profit.

Q. What is Ofwat?

Ofwat (The Water Services Regulation Authority) is the economic regulator of the water sector in England and Wales. They aim to help the sector build trust and confidence with customers, the environment and wider society.

Q. Who do we contact if we have any further queries?

Please contact our Customer Service team on 01737 772000 or email customer.relations@seswater.co.uk (Mon to Fri 8:30am – 6:00pm).

Q. Who do I contact to follow up the progress of my claim?

If you have any questions about your claim or its progress please contact insurance.claims@seswater.co.uk

Q. Who do I contact to make a complaint?

If you have a complaint in the first instance please contact the *Customer Service team* on 01737 772000 or email complaints@seswater.co.uk If there is any dispute either as to whether we are liable to pay compensation or as to the amount of the claim, there is a procedure under the Water Industry Act 1991 for the parties to refer the dispute to an independent arbitrator to be resolved.