

# Loss Prevention Standards

## Public Liability

### Introduction

If a customer or member of the public suffers injury whilst on your premises or is injured by your business activities or the carelessness of one of your employees, they may sue you for compensation. You may also be sued if you or one of your employees causes damage to other people's property.

Public liability insurance provides protection against such claims, covering both the costs of defending such claims and paying any compensation that may be agreed or awarded by a court.

In some circumstances you could also face prosecution for breaches of health and safety legislation, and prosecutions may lead to a fine. Whilst a fine is not covered by insurance, a public liability insurance policy will cover the cost of defending the prosecution.

Whilst it isn't a legal requirement to have public liability insurance, you need to consider how your business would handle an expensive claim against it if you didn't have cover in place.

### Safeguarding your Business against Claims

Slips and trips are the most common cause of injury to members of the public and can result in serious injuries and claims for large amounts of compensation.

It is important to take steps to minimise the risk of accidents, and some simple issues to consider include:

- Is the access to your premises well lit and in good condition?
- Is the exterior lighting in the car parking areas adequate?
- Are access routes affected by the weather (e.g. fallen leaves can make access routes to the premises slippery; rain or snow can be trodden in through entrances making lobbies slippery)?
- Are interior floor surfaces non slip and in good condition?
- Are tripping hazards such as trailing cables routed away from walkways or suitably covered?
- Are there suitable procedures for dealing with a spillage or dropped container quickly, effectively and efficiently?
- Are routine cleaning activities carried out and records kept?
- Are regular inspections of the premises undertaken to ensure controls remain effective?

Assessment and control of the risks to third parties can be identified by means of a risk assessment. The risks will differ from premises to premises and the precautions required will depend on both the premises and the nature of the activities being undertaken. The exact precautions necessary will be evident from a risk assessment, for example, in a retail outlet are displays safe and could they be toppled by a child? If you display toys, e.g. climbing frames, could children climb on them and fall?

### Actions of Employees

You can be legally liable for injury or damage caused by your employees, and this is called vicarious liability. Ensure that employees are trained, that they can recognise risks and know what action to take.

For example, in a supermarket employees should be on the look out for items such as fruit which may have fallen from the display giving rise to the risks of a slip. Employees should know what action to take if a customer drops a jar or a drinks bottle causing a slippage.

### Work Away

Some of your employees may carry out work away from the premises, for example, delivering goods or undertaking installation work. In these circumstances it is much more likely that damage to other people's property could occur, e.g. they could cause damage to fixtures or fittings, spill substances or similar. A public liability policy will generally cover you for claims of this type although you may have an excess on the policy. It is prudent to ensure employees who undertake such work are properly trained and have the appropriate equipment to enable them to carry out the work correctly, and with minimal risk of damage.



## Use of Contractors

From time to time it will be necessary for you to appoint contractors to carry out work on your property. Any use of contractors must be carefully planned and the important first step is the selection of a competent contractor. It is essential that they have adequate public liability insurance and that the work is planned to reduce the risk to your business, employees and visitors.

## Case Studies

- A rail traveller slipped on a flower petal in front of a flower stall on a station concourse, and he successfully sued the holder of the franchise. The case was appealed but damages were confirmed at £1.5m
- A passer-by slipped on ice outside a butcher's shop. They suffered a shoulder injury and successfully sued the shop owner, receiving £45,000 in compensation
- A cricket club's function room had been hired for a private party. One of the organisers was clearing up after the event and used a fire door to take a bin bag to a skip. As they left the building, they slipped on a wet step injuring their hip, and sued the cricket club for thousands of £'s of damages

## Key Action Steps

- Undertake risk assessments of your premises and activities
- Identify who could be harmed and how
- Identify the measures you need to implement to minimise risks
- Ensure that you minimise any risks arising from your activities
- Provide training for employees so they are able to recognise risks and take appropriate action
- Ensure all accidents involving customers and visitors are recorded

## Additional Information

- [The Management of Health and Safety at Work Regulations 1999](#)
- [Risk Assessment – A Brief Guide to Controlling Risks in the Workplace: INDG163](#) – Health and Safety Executive

Further risk management information can be obtained from [Aviva Risk Management Solutions](#)

Please Note

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