

# Our Business Compensation Policy

SEVERN  
TRENT

## Know your rights

*Severn Trent are continually investing to improve and maintain our sewerage and water networks and while we exercise our powers to work within the highway we understand that on occasion a business may be unavoidably affected by our works. Similarly we appreciate that a business may also be affected when we install a new connection or attend to an emergency repair of a water main or sewer. Under Schedule 12 of the Water Industry Act 1991 ("Schedule 12"), businesses may be able to claim compensation for such losses.*

### Policy

This policy details our approach to business compensation claims. It does not detail our approach to any other potential claim including claims for loss of water supply or for flooding. For further information regarding Severn Trent please visit our code of practice: [https://www.stwater.co.uk/content/dam/stw/about\\_us/documents/codes-of-practice-june-2017.pdf](https://www.stwater.co.uk/content/dam/stw/about_us/documents/codes-of-practice-june-2017.pdf)

Severn Trent do not normally pay compensation if the only impact of our works is that potential customers had to follow a diverted route to get to a claimant's business or if customers are temporarily unable to park near a business on a street that normally has parking restrictions.

### If you believe your business is suffering a loss as a result of our works you should

- Contact us at [businesscompensation@severntrent.co.uk](mailto:businesscompensation@severntrent.co.uk) or via Business Compensation, Severn Trent Water Ltd, P.O. Box 51, Raynesway, Derby DE21 7JA.
- Detail your businesses name and address
- State when our works started and finished (if they have concluded)
- Briefly explain how you believe our works are impacting upon your business

We will then contact you for an initial consultation of your potential claim to assess whether it falls under Schedule 12. We will explain the claims process to you and we will issue you with our standard claims literature documentation, including our claims guidance notes, which will explain the claim process in greater detail. We will also enclose a claims declaration which you are required to complete with details of your claim and submit to us to enable your claim to be advanced.

We shall respond to your initial claim contact within 10 working days.

### The Claim

It is up to you to substantiate your claim with relevant evidence. We will treat any information you provide in confidence, except where we are required by law to disclose it to third parties, for example to HMRC.

Once we have received your fully supported claim submission, we will assess the claim in accordance with our claims guidance notes. If we accept the claim, we will endeavour to make an offer of settlement as soon as is possible. If we reject the claim, we shall explain our reasons for rejecting the claim. The timescale for this process will vary depending upon the nature of the claim, complexity of information required, the quality of the evidence within the claim submission and the extent of any liability.

We will acknowledge the receipt of your claim submission within 28 working days and we will endeavour to complete our claims assessment within three months of our receipt of the claim and all supporting evidence.

### **Claim Settlement**

If we accept the claim and make a settlement offer to you, we will ask you to accept the settlement offer in writing. Payment shall then be issued via BACS Bank Account Transfer which will arrive within 28 working days of our receipt of your written acceptance.

### **VAT**

We do not pay VAT on compensation payments. If you engage the services of a claims agent to represent you and you are registered for VAT, your claims agent will ask you to pay the VAT (if any) on their professional fees. You may then be able to recover these charges from HMRC.

### **Disputes**

In the first instance please refer to our Compensation for Loss of Profits claims literature.

Then, in the event that a dispute arises, the claimant would normally request that the claim proceeds to arbitration and nominate an arbitrator. We would request that three arbitrators are proposed and their details are submitted with each arbitrators C.V. detailing their experience. We would reply within 28 working days of our receipt of your proposed arbitrator's details. We may also counter propose our own suggestion of an arbitrator(s).

If we are unable to agree upon the appointment of a single arbitrator then either party may ask that the water industry regulator Ofwat appoints an arbitrator to progress the claim.

### **Claims Representatives**

We will make every effort to assist you with making a claim and explaining the claims process to you. Please contact us should you require any assistance with your claim submission.

Should you prefer a third party's assistance in preparing your claim then you may find that your accountants are the best placed to assist you in this regard as they will be familiar with your business and will be able to advise on the relevant financial information to support your claim.

You may choose to instruct a claims agent to assist you with a claim submission. Representatives will charge a professional fee for their services, if we then agree and accept your claim, we will pay these fees, strictly subject to their being reasonable and proportionate to the agreed claim value.

In each circumstance your claim will be assessed in exactly the same way, whether submitted through an agent or directly to us.

We are unable to offer any advice on the suitability of any particular representative. The information detailed in our claims guidance notes should be made available to your representative for their preparation of your claim.

If you decide to use an appointed representative to progress your claim, then when they submit your claim, in accordance with our guidance, please ensure that they forward your letter of engagement in confirmation of your instruction, together with their terms of engagement and a note of their professional fee.