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Riot Claims Handling Best Practice Guide

CII New Generation Claims Group



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1. Executive Summary

→ 1.1 Riot compensation claims

In the event of a riot, victims of the resulting criminal damage to property, and the insurers who pay out for riot damages, will be entitled to claim for certain types of loss from the Local Policing Body (LPB) responsible for the geographical area where the riot took place. The police liability for these losses arises under the Riot Compensation Act 2016 (RCA), which came into force on 6 April 2017, and was previously set out in the Riot (Damages) Act 1886.

The RCA and the Riot Compensation Regulations 2017 and the Riot Compensation (Amendment) Regulations 2018 (the regulations) introduced a number of changes, including:

- ▶ Application of a simpler, more transparent, definition to riot compensation claims;
- ▶ A cap on claims to the value of £1m;
- ▶ Significantly increasing and clarifying the time periods for submitting claims and supporting documentation / evidence;
- ▶ Providing new-for-old replacements for the majority of items lost or damaged; and
- ▶ Provision for the Secretary of State to put in place a 'Riot Claims Bureau' (RCB) to handle riot compensation claims where wide-spread civil disturbances occurred.

N.B. Separate supporting Regulations covering a Riot Claims Bureau will only be introduced if a major civil disturbance occurs that necessitates the introduction of such a measure.

→ 1.2 Purpose of this guide

This document sets out the core procedures and philosophy surrounding the handling of Riot Compensation claims by the Riot Claims Bureau (RCB). By extension, as best practice guidance, the principles and practices detailed are also suitable for the management of claims arising from smaller disturbances that may be managed directly by an LPB. This document is also intended for use by parties contracted to carry out assessments of riot compensation claims by an LPB or RCB.

Broadly, this guide is aimed at supporting achievement of the following:

- ▶ Efficient and fair claims handling;
- ▶ A smooth and well explained claims process from a claimant perspective;
- ▶ Certainty in the outcome of claims; and
- ▶ Helping riot victims, whether they are individuals or businesses, to get back on their feet following a traumatic setback.

The content of this document is not intended to be an exhaustive description of obligations on claims handlers, but has been created on the basis that our foremost duty is to treat claimants fairly and to provide the support required to the individuals, businesses and communities impacted.

Where there may be an ambiguity between this document and other legislation and/or legal obligations, the prevailing law shall apply.

→ 1.3 Guidance developed through collaboration

This guide has been developed by the Chartered Insurance Institute (CII) New Generation Claims Group, with extensive support and input from the following stakeholders:

- ▶ The Home Office;
- ▶ The Association of British Insurers (ABI);
- ▶ LPB representatives;
- ▶ The Chartered Institute of Loss Adjusters (CILA); and
- ▶ Neil Kinghan, who led the Independent Review of the Riot (Damages) Act in 2013, which resulted in the introduction of the RCA.

→ 1.4 Who handles riot compensation claims?

Riot compensation claims will in most events be handled by the Local Policing Body (LPB) responsible for the area where the riot occurred. A Riot Claims Bureau (RCB) may be formed if a riot event spans more than one police area or following a request by an LPB. An RCB or LPB may elect to delegate handling to a loss adjuster or other contracted party. In this guide we will refer to the various bodies that may handle the claim as the Claims Authority (CA).

The purpose of the RCB is to deliver centralised claims management for a high volume of claims, reducing operational pressure on LPBs whilst ensuring that claims are handled in a consistent and fair manner. The principles of claims handling generally follow those of third party claims brought against insurers.

→ 1.5 Enacting the Riot Claims Bureau

The enactment of an RCB will come into effect following instruction by the Secretary of State. Section 5 of the RCA details the parameters that apply for the transfer of claims to the Secretary of State:



s5.3 The Secretary of State may make a direction only if –

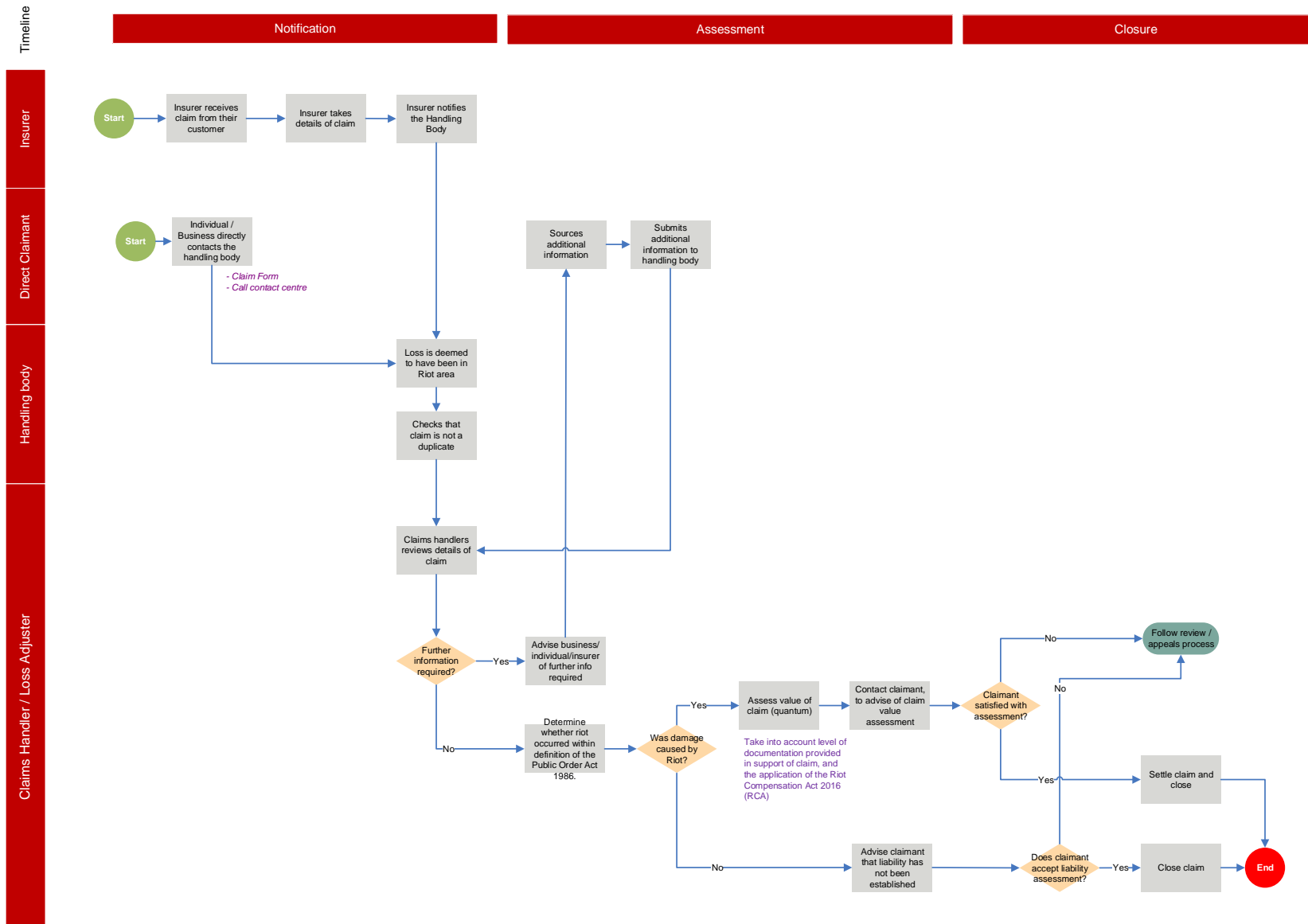
- a) riots have occurred in two or more police areas at or about the same time
- b) a riot has moved from one police area to another, or
- c) a local policing body has requested the Secretary of State to make a direction in respect of claims that have been or may be made to it.

Figure 1 - Section 5 of RCA parameters that apply to the transfer of claims to the secretary of state

The process of bringing together an RCB is likely to take several days. The RCB will consist of Board Members and Committees tasked to ensure the running of the RCB and the delegation of the Secretary of State's function¹. During the period of setting up the RCB it is imperative LPBs are prepared to deal with new claims.

¹ A separate guide to setting up a Riot Claims Bureau will be produced by Home Office.

Process Map: Claims Process Overview



2. Guiding Principles

→ 2.1 Claims Philosophy

In order to support the areas for improvement that have been identified with the introduction of the Riot Compensation Act 2016 (RCA), there are a number of guiding principles that should be adopted. Initially it is vital that Claims Authorities (CAs) and claims handlers have an awareness of the claims philosophy which forms the basis for the processes and guidance set out in this document.

Riot Compensation Claims Guide: Claims Philosophy

The Claims Authority responsible for handling claims arising under the Riot Compensation Act 2016 will take a fair and efficient approach to the management of all claims. Claims will be handled with expertise and with a focus on ensuring fair outcomes for claimants.

The philosophy above is underpinned through the adoption of the following guiding principles:

- ▶ Guiding Principle 1 – Claimant-centric Approach
- ▶ Guiding Principle 2 – Treating Riot Victims Fairly (TRVF)
- ▶ Guiding Principle 3 – Recognising the Challenges for Direct Claimants
- ▶ Guiding Principle 4 – Supporting Vulnerable Claimants
- ▶ Guiding Principle 5 – Managing Public Money

→ 2.2 Guiding Principles

▶ Guiding Principle 1 - Claimant-centric Approach

Effective claims handling is a very important part of any future response to riot compensation claims; however, it cannot work in isolation. CAs will not be effective unless the claimant is at the centre of all aspects of claims handling activities.

In adopting a proactive approach, the lifecycle of each claim can be kept to a minimum, providing the following benefits:

- ▶ Improved claimant experience;
- ▶ Reduced claim settlement costs (as claimant losses can be managed more effectively at an earlier stage); and
- ▶ Speedier claim settlement.

Claimant Expectations

In order to ensure a smooth and clear claims process for all parties, it is important that claims handlers are aware of the expectations of claimants and that these are effectively managed. Where dealing with a vulnerable claimant. It may be necessary for claims handlers to take a different approach or offer additional support services. This is addressed under Guiding Principle 4 (Page 13).

It is likely that claimants will expect claims handlers to demonstrate the following behaviours in the course of dealing with a claim:

- ▶ Helping to make things easier for claimants;
- ▶ Showing empathy and understanding of their circumstances;
- ▶ Keeping claimants informed without having to chase;
- ▶ Managing third parties (repairers, loss assessors, etc.) for them;
- ▶ Giving clear explanations about next steps, settlement and timescales; and
- ▶ Being able to clearly explain the current status of the claim.

From a claimant's perspective, adopting this approach should ensure that the overall impression of the claims handling process is fair, having been involved in key

decisions, that points of contact with the CA have not been a source of additional stress, and that staff have been helpful throughout.

► **Guiding Principle 2 – Treating Riot Victims Fairly (TRVF)**

When handling claims arising under the RCA, the CA will take a fair and efficient approach to the management of all claims. Claims will be handled with the appropriate level of expertise, with a focus on ensuring fair outcomes for claimants.

In order to ensure that the CA applies this philosophy, this guide has been developed applying an approach derived from the Financial Conduct Authority (FCA) principle on the 'Fair Treatment of Customers'². This will be referred to in this guide as the 'Treating Riot Victims Fairly' (TRVF) principle. The TRVF outcomes are outlined below:

No:	Outcome
1	Claimants can be confident that they are dealing with Claims Authorities where the fair treatment of claimants is central to their approach. A claimant can expect to be treated in a fair and reasonable manner throughout the full claim process whether the claim is handled by the Local Policing Body, a loss adjuster or Riot Claims Bureau employee.
2	Claimants are provided with clear information and are kept appropriately informed throughout the claims process. A claimant should expect to receive clear, understandable, consistent and timely information throughout the claims process. Communications should manage their expectations realistically and set out clearly all actions that a claimant is expected to take and any applicable timescales.
3	Claims are handled to an acceptable standard and as claimants have been led to expect (e.g. in line with guidance published to support claimants with the claims process). A claimant should expect to receive clear, understandable and consistent information throughout the claims process and be treated fairly and sensitively throughout the full claims process.
4	Claimants do not face unreasonable barriers imposed to submit a claim or make a complaint. The claims and complaints processes should be accessible and transparent for claimants.

² <https://www.fca.org.uk/firms/fair-treatment-customers>

The aim of achieving the above outcomes will form the basis of decision-making throughout this guide, and claims handlers should have a strong awareness of the TRVF principle when dealing with claimants.

► **Guiding Principle 3 – Recognising the Challenges for Direct Claimants**

Whilst a small number of uninsured ('Ordinary') claimants may appoint a solicitor or loss assessor to act on their behalf, it is likely that a significant majority of claims arising from the RCA are brought by direct claimants – i.e. claimants who submit a claim on their own behalf without the involvement of any legal representation. There are a number of considerations that need to be made when managing claims of this nature and these are addressed below.

It is important to be aware of the difficulties that direct claimants face when bringing a claim, particularly when they are already dealing with a very stressful situation. It is important that claims handlers are clear about what is covered under the RCA, and how the law applies to the claimant's circumstances. Any confusion or uncertainty in this regard is likely to cause additional stress and potentially result in a negative impact to the CA's reputation.

FCA Principles of Business and ICOBS

The claims approach set in this guide has been developed with reference to the Financial Conduct Authority's (FCA) Principles of Business and the relevant rules under the Insurance Conduct of Business Sourcebook (ICOBS) 8³. These principles are particularly relevant to direct claimants and it is recommended that they should form the basis of all interactions that the CA has with them.

Fair and proportionate handling of claims from direct claimants will enhance the reputation of LPBs and help manage unnecessary costs.

³ <https://www.handbook.fca.org.uk/handbook/ICOBS/8/1.html>

ICOBS 8.1 – Insurers: general 8.1.1 An Insurer must:

- 1) Handle claims promptly and fairly;
 - 2) Provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress;
 - 3) Not unreasonably reject a claim (including by terminating or avoiding a policy)
 - 4) (4) Settle claims promptly once settlement terms are agreed.
-

Recommending legal advice

It should be highlighted to claimants that they are entitled to seek legal advice and/or representation; however, this is not something that the police will bear the costs for. Legal representation is not necessarily required by the claimant in order to make a claim under the Riot Compensation Act.

Ordinary claimants may indicate they are seeking support from a claims management company (CMC) or loss assessor. Claims handlers cannot advise on the suitability of these representatives, however, the Association of British Insurers has outlined some things to think about if homeowners are approached by a CMC, or if they are considering third party representation to assist with their home insurance claim – see link below:

<https://www.abi.org.uk/globalassets/sitecore/files/documents/consumer-guides/home-insurance-and-claims-management-companies.pdf>

► Guiding Principle 4 – Supporting Vulnerable Claimants

It is useful to consider how the FCA looks at vulnerability in the context of customers – the FCA definition is equally applicable

A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care

FCA 2015

to riot compensation claimants⁴. Vulnerability can come in a range of guises.

It is important to consider individuals' circumstances as anyone can become vulnerable, even if they would not normally fall into this category. Vulnerability is not solely down to the personal characteristics of the individual - it may be exacerbated by the circumstances giving rise to the claim or actions undertaken during the claims process.

The following points should be taken into consideration when determining whether a claimant could be deemed vulnerable:

Recent bereavement	Illness	Age
Language issues	Financial position	Homelessness
Disability	Sudden change	Families or people with dependants

This is not an exhaustive list and should not be treated as such.

Where a claimant has been identified as vulnerable, it is paramount that any specific needs are catered for through the provision of additional support services, and that the claim is managed in a bespoke manner with a greater level of management and communication. It may be necessary to escalate these claims, to allow for increased contact and speedier resolution if appropriate. Where a different approach is required for vulnerable claimants, this will be highlighted in the guide.

In addition, the Home Office has published guidance for the public on how to bring a claim against the RCA.

⁴ <https://www.fca.org.uk/publications/occasional-papers/occasional-paper-no-8-consumer-vulnerability>

► Guiding Principle 5 – Managing Public Money

While there is a duty to treat claimants fairly, money paid out for claims brought under the RCA whether handled by an RCB or LPB is public money. The following principles, as set out by HM Treasury⁵, will therefore apply:

1. Integrity – ensuring that any transaction is honest and fair;
2. Impartiality - ensuring that any transaction is made on objective criteria, on a case by case basis;
3. Honesty – being fair and truthful in all transactions;
4. Transparency – ensuring any transaction is clearly set out;
5. Accountability – ensuring there is someone responsible for each case or transaction;
6. Accuracy – ensuring any transaction is correct and precise;
7. Reliability – ensuring that any transaction is consistent and in time with SLAs;
8. Openness – emphasising transparency; and
9. Fairness – ensuring any transaction is in line with treating customers fairly, and that there is no discrimination.

It is important to be aware that decisions taken by the CA will be audited by the National Audit Office. It will therefore need to be in line with the legal position under the RCA 2016, and meet the requirements under the principles of Managing Public Money.

⁵https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454191/Managing_Public_Money_AA_v2_-jan15.pdf

3. New claim notifications

When a new claim is presented, it is important to observe the Treating Riot Victims Fairly (TRVF) principle, as explained in [Section 2 – Guiding Principles](#).

It is worth reiterating the need to exercise a sensitive approach in which empathy with the claimant is shown and clear information is given to the claimants. This is particularly true of new claims from members of the public.

→ 3.1 Capturing claim information

Claims may be presented directly by members of the public (or their appointed representative) or by insurance companies. In both cases the Claims Authority (CA) will need to capture key summary claims information in order to take the claim further. The key claims information will be outlined later in this section, but it is worth stressing the importance of gathering accurate information at the initial claim notification stage to avoid delays. The standard Claim Form is available on the Home Office website, and is contained within the Home Office guidance for the public.

It is important that the claimant is given a clear understanding of what the claims process will involve, with details of the timescales and the next steps. For vulnerable claimants, the claims handler should consider confirming details of the claims process in writing.

→ 3.2 Deadlines for claims notification

- ▶ As stated in Section 3(4) of the Riot Compensation Act 2016 (RCA) claimants will have 42 clear days after a riot event to notify the compensation authority, followed by a further 90 days to submit supporting documentation. The claim

must be received by the CA within 42 days. For riots which take place over several days, the 42 day period will commence from the last day of the riot.⁶

- ▶ The Regulations to the RCA make clear that where there are multiple riots across different areas, the time limit will start from the last day of the last riot. However, if there is a gap of 24 hours or more between riots, they will be treated as separate events.
- ▶ The Regulations provide the CA with the flexibility to exercise discretion in the application of both the 42 and 90 day deadlines, with reference to the following:
 - 'Health or personal circumstances'; and
 - 'Unsettled legal issue concerned with ownership of property'.
- ▶ Where the CA has disregarded a deadline, this should be conveyed to the claimant in writing. If the 42 day deadline to notify has been disregarded, the 90 day deadline will also be disregarded – the CA will need to communicate to the claimant the need to provide supporting documents within a reasonable period of time.⁷
- ▶ The Regulations also include provision to allow late claims where an insurance claim is refused either wholly or in part after the 42 day deadline has expired. The formal letter from the insurance company will act as the date from which the claimant has 42 days in which to submit an RCA claim.⁸
- ▶ If an insurer receives notification of a claim after the 42 day period, the CA will allow the insurer to issue an RCA claim. It will be necessary to ask the

⁶ The criterion on the notification period is captured in Regulation 6(1). It is referred to as 43 days as the first day of the notification period starts on the last day of a riot event. The wording of the Regulations ensures that individuals have a clear 42 days to make an application for riot compensation. Similarly Regulation 6(2) refers to the submission of evidence as 91 days from when a CA receives notification of a claim. This is in order to provide a clear 90 days for evidence to be submitted.

⁷ Regulation 6(3) enables a Claims Authority to disregard time limits for both notification and submission of evidence if they consider there to be justifiable reasons for doing so.

⁸ Regulation 6(1)(a)(ii) makes provision to allow a later claim to be made by an individual or business if their insurance company has not met their insurance claim in full or in part.

insurer to provide evidence supporting the fact that they have had no previous notification of the claim. Once the insurer has received late notice of the claim, it should contact the CA as soon as practicable⁹. Claims handlers should also give reasonable consideration to insurer claims where the insurer has received notice close to the end of the 42 day period, but has been unable to notify the CA due to the operational challenges created by the riot event.

- ▶ There will also be cases where an insurer has received a claim from its policy holder close to the end of the 42 day period. Where this occurs the CA should be flexible in accepting an RCA claim from the insurer outside of the 42 day period providing it is not received disproportionately late.
- ▶ If a CA has specifically requested a particular piece of evidence from a claimant (ordinary or insurer), such as an estimate of damages from a contractor approved by the CA, then flexibility should be provided if this were to impact on the 90 day deadline for receiving evidence.

N.B. For insurer claims, it is not necessary for the insurer to have paid out on the claim before notifying the CA. They will only need to show that they have received notice and are dealing with the claim.

→ 3.3 Claims by individuals and businesses (Ordinary Claims)

These claims will mostly be presented by direct claimants who will contact the CA by phone, email or post. Some claimants may appoint a representative to act on their behalf, such as a solicitor or loss assessor. The Regulations to the RCA allow claims to be submitted by post, electronically or verbally (if electronically, it must be through a means approved by the CA, and verbal notification of claims is conditional

⁹ Regulation 6(4)(c) allows an insurer to submit a later claim under the RCA where they received a late claim for insurance or where there was inadequate details initially submitted with the insurance claim.

on the facility being offered by the CA)¹⁰. The general approach to responding to new claims should be as follows:

► **Claim presented electronically or by post:**

When a claims handler receives a claim in writing, a new file should be set up with details of the claim. If the initial Claim Form has not been completed, then the claims handler should then contact the claimant to obtain key claims information captured in the Form. If the notification has been sent directly by the claimant, and they have provided their telephone number, the most efficient form of communication will normally be to contact them by phone. Where details are captured over the phone, the claims handler should ask the claimant to provide supporting documentation by email or post (ideally by recorded delivery, if sending supporting evidence). It should also be explained to the claimant that they are entitled to seek their own legal advice regarding their claim, the costs of which would not be covered as part of their claim.

The **Claim Form** sets out key questions which the claimant must answer in order for the CA to fully understand the circumstances of the claim, and the details of the loss.

If there is no telephone number, or the claimant has requested that we communicate by email or post, it will be appropriate to send the Claim Form out (hard copy or electronic) to be completed by the claimant.

► **Claim notified by phone:**

The process will be broadly the same for both email and postal notification – a new file will need to be set up, and personal details of the claimant captured. The claims handlers should ask the claimant to provide information in line with the Claim Form questions, and to send further documentation by email or post. If requested, a Claim Form can be sent out for the claimant to complete.

¹⁰ Regulation 5 allows for the submission of oral claims (where a Claims Authority offers this facility).

In order to facilitate administration of claims it is important to provide clarity on when the 90 day period for submission of evidence commences. This will depend on the method used by the claimant to notify the CA of their claim. The Regulations to the RCA provide additional clarification on this:

- ▶ By post – the 90 day period runs from the day after the claim is received by the CA;
- ▶ Electronically – the 90 day period runs from the day after the claim is received by the CA;
- ▶ Verbally – the 90 day period runs from the day after the claim is made verbally.

→ 3.4 Claims by insurers (Insurer Claims)

As in the case of [direct or] ordinary claims the claims handler should set up a new file for insurer claims, and transfer relevant information from the notification to the file. The claims handler should determine whether there is sufficient information for the claim to be taken forward (in line with the Claim Form) – if not, it may be necessary to contact the insurer or their appointed representative to discuss the claim.

Insurers should notify the CA where they are aware that the claimant is underinsured – this information can then be accounted for in the calculations for actuarial reserves (see [Section 5](#) for more information on this). New claims files will not be set up for underinsured claimants, until they have contacted the CA directly.

Claims handlers should look out for potential conflicts of interest at an early stage. This will typically arise where CA staff, or a third party appointed to deal with the claim on behalf of the CA, have some form of relationship with the claimant (e.g. a loss adjuster which also provides services to an insurer claimant). To avoid potential conflict scenarios, insurance and loss adjuster staff seconded to a Riot Claims Bureau should not actively handle claims presented by their own employers. It may

also be that some loss adjusting firms will be prevented from handling a loss due to a conflict of interest (e.g. loss adjuster firm acting for the insurer bringing the RCA claim against the Local Policing Body).

→ 3.5 Multiple interests

It is important that claims handlers are aware of the potential for multiple parties to have separate interests in the same property¹¹. There could, for example, be:

- ▶ Claims by both the landlord and the tenant of a domestic property, or from multiple tenants living in a house of multiple occupation (HMO). Where the property is leasehold, the leaseholder and the freeholder may also have separate interests in the same property.
- ▶ Claims by the freeholder owner of a block of flats, plus claims by both the leaseholders and the leaseholder's tenants (three separate claims on the same property).
- ▶ Claims from businesses, for example, a claim made by the owner of a shopping centre who also owns a unit within that shopping centre who have suffered both property damage to the building and looting of the unit.

Where there are multiple interests in the same property, each party will be treated as a separate claimant, and each will therefore be subject to a separate £1,000,000 cap on claim value.

It should be noted that the Regulations are clear in that no person or company may submit more than one claim for the same postal address. However, the Regulations do permit an insurance company to make more than one claim for the same address if they are insuring multiple claimants at the same address under different policies.

The main exception to the principle that each party with an interest will have a separate claim applies to **visitors to a property** – this may cover someone just visiting a property or staying there but without being named on any tenancy or

¹¹ Multiple interests in a property and circumstances where claims should be consolidated are covered in Regulations 3 and 4.

leasehold agreement (e.g. co-habitants, partners, married couples, civil partners). In such cases the claims must be consolidated, i.e. the visitor to the property must include their losses in the claim made by the tenant or leaseholder¹².

→ 3.6 Coinsurance

These arise where one insurer does not wish to cover the full risk and shares the risk with other insurers (typically applies to high value and/or commercial property). Where there is a co-insurance arrangement in place for a building, the £1m cap will apply to the claim presented by multiple insurers (normally via the 'lead insurer') and split in proportion with each insurer's share of the risk.

Example: An insurer shares a property risk with two other insurers under a coinsurance arrangement, with a split of 50% / 30% / 20% between them. Applying the £1m cap to a single RCA claim, the insurers would be entitled to maximum compensation of £500,000, £300,000 and £200,000 respectively.

→ 3.7 Multiple Properties

- Where the CA is notified of damage to multiple properties belonging to the same individual or company then each property will generate a separate claim¹³.

The CA will apply the relevant postal addresses to determine how many properties are involved (where appropriate, this will include the relevant PO Box address for a property which has been damaged).

- A communal area used by multiple properties will be treated as a separate property and give rise to a separate and/or additional RCA claim¹⁴.

¹² Visitors to a property are excluded under Regulation 3(2)(c) which requires a claimant to demonstrate they have a legal interest in the property (for example having a tenancy agreement).

¹³ Regulation 4(1)(a) refers.

¹⁴ A separate claim relating to the common parts of a building may be made – Regulation 4(1)(b) refers.

→ 3.8 Duplicate and linked claims

As the previous points concerning multiple interests and multiple properties confirm, it is essential that checks are made when a claim is notified to establish if a claim has been intimated previously in relation to the same property.

There are several reasons why this is important:

- To avoid confusing claimants with information that may have been provided previously, or conflicting references;
- To avoid payment twice to the same party or to two different parties for the same loss;
- To avoid duplicate instructions to adjusters.

Furthermore, it may be beneficial to be aware of checking for claims which may relate to neighbouring properties as investigations on one claim may be of interest to the other file.

Identifying duplicates / linked claims

Property Claims – When a claim is notified, checks should be made against the postal address to confirm if a claim has previously been notified in relation to the same property.

Motor Claims – When a claim is notified, checks should be made against the vehicle registration to confirm if a claim has previously been notified against the same vehicle.

What to do if a duplicate claim is identified at new claim stage?

If a claim is an absolute duplicate of a previously notified claim (i.e. same property / vehicle, same claimant) a response should be provided to the claimant to advise that the claim has already been submitted and confirmation of the original reference given. Correspondence and documentation should be added to the existing file.

If for any reason the duplicate claim has been identified after the first notification stage, the duplicate claim should be closed, a reminder issued to the claimant to advise of the correct reference and, again, all correspondence merged with the original file.

Where multiple interests or linked claims are identified, the claim system should be noted with the reference of the related cases. Where adjusters are instructed in either case, they should be advised of the multiple interests and the applicable references.

→ 3.9 Identifying other key issues

When a claim is first notified, it is important that cases falling within certain categories are identified and handled appropriately. This does not mean that specific categories of claimant will receive special treatment or priority, but it will ensure that the appropriate approach and level of expertise is applied to the claim. This approach can help to avoid subsequent delays in the resolution of the claim, reduce costs and ensure other interested parties are made aware of the claim where required.

Categories	Reasons for identifying at early stage
Vulnerable Individuals	<ul style="list-style-type: none"> • Exact requirements may be dependent on the individual's circumstances. • These claimants may require a more bespoke handling and communication approach.
Is Property Secure?	<ul style="list-style-type: none"> • If a property is not secure, identify if a victim has the means to take steps to make the property secure to prevent further theft or damage. • Depending on the circumstances, it may be advisable to instruct a contractor to carry out remedial work to make the property secure on a without prejudice basis.
Property Uninhabitable, No Utilities	<ul style="list-style-type: none"> • A property may be without access to essential utilities such as water or electricity. Alternatively, the extent of damage to essential rooms (i.e. bedrooms, bathrooms and kitchen) may be sufficient to render it uninhabitable. • In these cases consideration should be given to the necessary steps to reinstate essential utilities on a without prejudice basis. The CA may in this respect use powers in the RCA and Regulations to make interim payments or contract and pay a third party directly to make reparations. • If it is clear that the property cannot be immediately rectified, advice should be given regarding the provision for temporary accommodation payments. • The case should be flagged as a priority for investigation and resolution to ensure that the victim can return to their home as quickly as practicable and minimise costs.
Asbestos issues	<ul style="list-style-type: none"> • If asbestos is present in the building, specialists will need to be appointed to safely dispose of this. • It is also possible that property will be uninhabitable where there is asbestos present, as it may become exposed following damage or disturbance to the structure.
Losses involving Fire	<ul style="list-style-type: none"> • Some claims involving fire will require the instruction of a forensic expert. • Fire can be an indicator of multiple claims in buildings with multiple occupants such as office blocks and flats. • Further investigations may be required to establish potential exposure.
Listed Building	<ul style="list-style-type: none"> • This is an indicator of a high value claim. • Specialist experts may need to be instructed and local authority consent may be required for any works to be carried out. • There will also be a wider benefit from a public policy perspective and for the community in bringing a listed building back to its original condition.
Quick Settlements*	<ul style="list-style-type: none"> • Some claims may be suitable for quick settlement, e.g. low value claims where there is no doubt that the property was located in an area of riot activity. • Dealing with these claims efficiently will allow more time to be spent on complex claims.
Fraud indicators	<ul style="list-style-type: none"> • If there is a reasonable suspicion of fraud, refer to section 11 and internal police guidance on potential indicators of fraudulent activity.
Media Attention	<ul style="list-style-type: none"> • Where a claim submitted has already or quickly becomes the subject of media attention, the details of the claim should be referred to Media / Press Liaison as per LPB Processes. Refer to section 12 for

	more information on this point.
Claims involving Celebrities / Public Figures	<ul style="list-style-type: none"> While these types of claims should not receive special treatment, LPBs or Adjuster firms may have specific procedures to ensure personal details and documents are handled in accordance with DPA requirements, this may require the claim to be flagged and the file marked as sensitive.

→ 3.10 Response times

Whilst the CA should endeavour to deal with all claims expediently, **responding to claims for uninsured losses by individuals and businesses will be prioritised.** This is because of the potential impact to the claimants of delay, and the fact that insurers will normally have to continue their own claims handling process after notifying the CA of the claim.

The table below sets out timescales which should be treated as best practice by the CA. There may be circumstances where different timescales are implemented, or where there is a need for flexibility (e.g. the review process may take longer if the police are investigating the circumstances of the criminal activity to determine whether it constitutes a riot).

Action required	Individual / business claims	Insurer claims
New claim acknowledgement	Within 2 working days	Within 10 working days
Review supporting documentation	Within 14 working days	Within 28 working days
Answer telephone calls	Within reasonable time, and as soon as possible	

→ 3.11 Updates / Communication

Throughout the life of a claim, it is important that the CA communicates effectively with the claimant, providing significant developments and updates on the status of the claim. It is also important the claimant's expectations are managed from the outset, so that they have a clear understanding of level of communication to expect. The recommended approach is set out below – this will apply at the new claim stage, but also during the assessment and settlement of the claim:

Standard approach for direct claimants

Updates should be provided to direct claimants every **14 working days**, including chasing the claimant for further information if there has been no recent contact. These updates should be provided up until the point where a decision has been made on the claim. Where a loss adjuster is instructed on a delegated authority basis, timescales are likely to be agreed as part of the contract between the CA and loss adjuster. If the agreed timescales differ from those set out in this section, information on this will be provided to claims handlers. Delegated Authority is discussed further in **section 11**.

Preferred method of communication should be established at the first notification stage (email will be the default position, with alternatives (e.g. post, phone) as alternative options).

Vulnerable claimants

Vulnerable claimants will require a more bespoke handling and communication approach. Direct communication is particularly important with vulnerable claimants.

If the claimant is identified as vulnerable, claims handlers should provide updates more regularly if appropriate, or come to an agreement with the claimant on how frequently they would like to be kept updated, in knowledge of the fact that as a vulnerable customer they may be less aware of how a claims process might work.

Insurers

Claims handlers should notify insurers regarding any key developments as soon as possible and should ensure that claims are reviewed regularly (every 30 to 90 days).

Where claimants fail to either notify the CA or provide adequate information as required to process the claim, the CA is entitled to refuse the claim. When discussing the claim with the claimant during the initial stages, claims handlers should stress the importance of providing adequate information within these timescales, and the potential ramifications of failing to do so.

4. Assessing liability

→ 4.1 Criteria for establishing a riot compensation claim

► Basis of liability

Under the Riot Compensation Act 2016 (RCA) Local Policing Bodies (LPB) have a strict liability for damage caused as a result of rioting. This means that the claimant does not need to show that the damage was caused by negligence on the part of the police.

The most important point is therefore to establish whether there has been a riot, whether the damage was caused as a result of the riot, and whether the claim meets other criteria as set out in the Act.

► What is classed as a riot?

When the claims handler is trying to establish an entitlement to compensation, it is important to try to obtain the full circumstances in which the damage was caused, as they must come within the definition of a 'riot' – under the RCA 2016¹⁵, the definition used in the Public Order Act 1986 will apply. The starting point for assessing riot compensation cases should be to take account of the background of events leading up to the claimed losses. Generally, the occurrence of riots

Definition of 'Riot' under POA 1986 s1:

1. Where 12 or more persons who are present together use or threaten unlawful violence for a common purpose and the conduct of them (taken together) is such as would cause a person of reasonable firmness present at the scene to fear for his personal safety, each of the persons using unlawful violence for the common purpose is guilty of riot.
2. It is immaterial whether or not the 12 or more use or threaten unlawful violence simultaneously.
3. The common purpose may be inferred from conduct.
4. No person of reasonable firmness need actually be, or likely to be, present at the scene.
5. Riot may be committed in private as well as public places.
6. A person guilty of riot is liable on conviction on indictment to imprisonment for a term not exceeding 10 years or a fine or both.

¹⁵ Section 1(6), which also covers what is not covered by the Act.

is rare and in such circumstances there will almost always be an underlying contravention of public order laws.

For every claim it will be necessary for the Claims Authority (CA) to make a decision as to whether the damage or theft occurred as a result of a riot and not as a result of other types of criminality, such as violent disorder or robbery.

In making this decision, loss adjusters and claims handlers should draw on evidence that led to losses being incurred. This guide outlines the key information needed to validate the circumstances of the claim in [Section 4.2](#) How to validate claims.

It is important to point out that every civil disturbance is different and for each such event, the circumstances may vary considerably. Each claim should, therefore, be considered carefully and the LPB or Riot Claims Bureau (in conjunction with the LPB) should not make decisions on riot compensation cases on a collective basis.

In cases where the handling and/or decision-making of a claim has been outsourced then the LPB or Riot Claims Bureau (in conjunction with the LPB concerned) must make a determination on whether the claim meets the definition of a riot.

► What types of loss are covered by the RCA?

Property damaged, destroyed or stolen in the course of a riot:

- Where the property was not insured, or was not adequately insured, the claimant may claim compensation from the appropriate LPB. This includes damage to vehicles where damage is not covered by the claimant's own insurance policy or vehicles which form part of the stock in trade of a business (see the Schedule to the RCA).
- Where an insurance company has met a riot damage claim by the person under a policy of insurance, the insurance company may claim compensation from the appropriate LPB (with the exception of claims for motor vehicles).

- Where there is an insurance policy, but indemnity has been declined or partially declined by the insurer, the claimant will be entitled to bring a claim for compensation under the RCA 2016 (for losses the insurer has not indemnified).
- ▶ What is not covered by the Act?
- Damage to various types of secure facilities where people are detained, for example prisons and immigration centres (Section 1(6) of the RCA refers).
 - Vehicle damage that is covered by a policy of insurance - neither claimants nor insurers are able to obtain compensation or reimbursement for such losses. Claimants (and insurers) can however seek compensation for damage caused to mobile businesses, as the application of Regulation 3(2)(c) of the Riot Compensation Regs allows for a broader definition of property than “residential premises” and “business premises”.
 - Consequential loss – under s8(2) of the RCA, claimants cannot receive cover for consequential loss. These are financial losses that an individual or business may incur **as a consequence** of the original material damage (i.e. loss, damage or theft of property).
 - ▶ An example of this for an individual might be the cost of buying a meal in a hotel while their home is under repair. For a business this could be lost revenue owing to disrupted trading.
 - Personal injury (PI) – whilst claims for PI are not covered under the RCA 2016, the claims handler should explain that the claimant may be able to seek compensation through the Criminal Injuries Compensation Authority (CICA).
- ▶ Failure to comply with deadlines under the Riot Compensation Regulations 2017

The general position is that where there has been a failure to comply with the time limits, the claimant will not be eligible for compensation.

Regulation 6(3) to (4), however, allow a CA to disregard time limits where there are exceptional circumstances including:

- Health, personal circumstances or other circumstances beyond the claimant's control.
- Any unsettled legal issue concerning the ownership, repairing or rebuilding of a property.
- In insurer claims, where the insurer has not received evidence or adequate evidence within the 42 and 90 days in order to make a decision on the claim made by the insured policy holder. As explained in Section 3.2, the CA will consider claims where an insurer has received the claim shortly before the 42 day deadline, but has not been able to notify the CA due to the difficulties created by the riot event.

► Proximity to riot activity

It is important to be aware that not all damage that occurs during a disturbance will meet the definition of riot damage. For example, damage which takes place three streets away from riot activity may actually be the result of separate and opportunistic criminality. Equally, if the incident took place 20 metres away from known riot activity, the CA is less likely to be in strong position if arguing that damage is not linked to the rioting.

If damage occurred outside of this area, the claims handler will need to review the claim and the evidence further to understand whether the activity which caused the damage should be treated as part of the riot.

It is important for a CA to take a consistent approach to cases raising proximity issues, particularly where there are a number of claims related to addresses situated close together. However, each particular case will depend on the facts.

► Riot definition - scenarios

Please see the non-exhaustive list of potential scenarios below, with guidance on the most likely approach:

SCENARIO¹⁶**POSSIBLE APPROACH / RATIONALE****1. Proximity**

A group of 30 people protesting use of stop and search in their community become agitated and aggressive. Police officers are deployed to contain the group. Six of the group break away from the main cohort, down an adjoining street (around 25 metres from the main group) and begin throwing missiles in the direction of arriving police officers, causing damage to several nearby buildings.

- In this instance, a decision-maker may feel that, since the damages were caused by a group under the designated size (12 persons), the incident does not meet the criteria for riot.
- However, key in this decision is the demeanour of the larger group. If they meet the Public Order Act definition of a behaviour characterising riot, then the actions of the smaller breakaway group can reasonably be considered to be an extension of the group as a whole.
- This is set out in the Public Order Act S1(2) which states: "It is immaterial whether or not the 12 or more use or threaten unlawful violence simultaneously". Damages may therefore be due under the RCA.

2. Less than 12 people entering a building

A group of around 40 individuals are protesting down Townville High Street when several smaller groups, in excess of 12 in number, start breaking into and looting shops. However, at one particular electronics store, several smaller groups of two and three break in illegally and start looting goods from the shop. The CCTV from the electronics store shows that, in total, no more than 10 individuals entered the shop.

- The Public Order Act requires a disorderly group to contain at least 12 or more members in order to be classified as a riot.
- Provided that the original riotous group meets the definitions under the Act, it is not necessary for 12 or more people to enter a building either simultaneously or in total, for the losses to qualify under the RCA. Therefore in this scenario the electronics store should meet the riot definition.
- However, when considering the evidence, the PCC should examine CCTV and/or witness evidence, and be satisfied that the people taking part in looting were part of the larger riotous group.

¹⁶ These are only hypothetical examples and each case will be considered on its facts.

3. Riot or other criminality?

A riot breaks out in Townville's main high street at 7pm. Large groups move along the street breaking windows, looting shops and throwing missiles. Police disperse the crowds and the riot is quelled by 10:30pm. A house in a nearby street is later reported to have been broken into and burgled at 9:30pm.

- In this instance it is important to examine evidence from both the riot and the burglary. If evidence exists that groups broke away from the main riot, and continued in the same manner in other areas, the incident may be considered to be a continuation of the core riot and losses due to offences committed by the splinter group may be covered under RCA.
- However, if the burglary was undertaken in a covert manner by individuals not evidently participating in the riot it can be argued that the burglary was opportunistic crime, undertaken while using the riot as a diversion to evade detection.
- Again, the demeanour of the offenders is a key indicator here - a splinter group of a riot is likely to still be behaving in a riotous manner at the time of the further offence, whereas a burglar or group of burglars using the cover of a riot will generally behave in a more subdued, covert manner. Although this is not an absolute test, it is a useful indicator when taken alongside other evidence such as CCTV.

A group of nine individuals start acting in a violent and threatening manner in a restaurant after an argument over the bill. In the ensuing incident several pieces of furniture and part of the kitchen are damaged. Police arrive and arrest all nine members of the group.

- Although it is important to be sympathetic towards the victims of this crime there should be a clear line drawn as to what qualifies as a riot or not using Section 1 of the Public Order Act 1986.
- This case represents a clear scenario where damage is due to public order offences and criminal damage rather than rioting. In such circumstances it would be appropriate to refuse the claim.

4. Private and public premises

A large group of people gather in a disused building on an industrial estate for an unlicensed, illegal party. During the party a disagreement leads to violent behaviour which escalates until it involves over 20 people, spilling out into the street. Damage occurs to the disused building and to several surrounding businesses as well as to DJ equipment used at the venue.

- According to the Public Order Act, riots can occur either in public or on private property. By this measure, while some may argue that it is unreasonable to expect the police to be aware of the gathering; if the behaviour meets the definition of riot, damages may be due under RCA.
- This would still apply if the riotous behaviour was contained to the building and not the surrounding area.
- It is likely that any claims for compensation made by attendees to such a gathering would be excluded as in this instance their presence at the event was unlawful. If such a scenario took place at a licensed event, bystanders may be able to claim compensation for any damage to personal property.

→ 4.2 How to validate claims

Whilst the vast majority of claims will be genuine, the CA still needs to establish key facts to ensure it is satisfied that this is the case. As such, the claims handler will need the claimant to provide as much of the following information as possible:

- ▶ Statement from the claimant as to how the losses were incurred – it is important to check the date, time and location of claimed losses. This is to ensure that such losses were incurred within the timeframe and location of civil disturbances known to the responsible police force;
- ▶ Witness reports, if these are available;
- ▶ Photographic evidence of the damage (can be provided via smartphone);
- ▶ CCTV evidence;
- ▶ Details of steps taken to mitigate damage; and
- ▶ Any other evidence held by the police, such as information from the arrest of individuals suspected of being involved in the incident.

The claims handler should also consider any evidence which indicates complicit behaviour by the claimant, e.g. claimant arrested for taking part in riot activity in another location during the same riot event. Where this is the case, consideration should be given as to whether the claimant's actions contributed to the damage caused, and if so, whether the claimant should accept a proportion of the responsibility (i.e. a percentage reduction in LPB liability, which is reflected by a reduction in the claim settlement – this point is covered in more detail in [Section 6: Assessing claim value & quantum](#)).

N.B. In order for compensation to be paid to an ordinary claimant for a specific loss, the CA will need to be satisfied that it is not covered by an insurance policy. Where there is insurance covering a loss, it will be up to the insurer to submit a separate claim to the CA¹⁷. Please note that the Claim Form asks the claimant to make clear what insurance(s) they have in place.

¹⁷ Regulation 9(b) requires claims authorities to take into account any loss covered by insurance.

If there is insurance in place, but the insurer does not pay the claim due to a breach of a policy condition, the policyholder will be entitled to seek compensation under the RCA – this, may be subject, however, to potential refusal or deductions to reflect a claimant's complicit or fraudulent behaviour.

→ 4.3 Awareness of potential fraud

The vast majority of claims brought against the LPBs for riot compensation will be genuine. There may, however, be a small minority of claimants who bring fraudulent claims.

Fraud is therefore an issue which needs to be considered at each stage of the claims process, and the focus at this point should be on checking whether the information provided by the claimant is consistent with that provided at the first notification of the claim.

When liability is under consideration, there may be evidence provided by the defendant LPB as to potential fraud by the claimant (e.g. CCTV evidence).

For further guidance on dealing with suspected fraud, please see **Section 12: Fraud**.

→ 4.4 Communicating the decision

- ▶ If the CA's decision is that the LPB is not liable under the RCA, the claims handler must always confirm the decision in writing. The correspondence should make clear the reasons for the rejection and provide details of the right of review and appeal. It is recommended that in addition to writing, the claims handler should also attempt to contact the claimant by phone to advise that the claim has been rejected. Using telephone contact where possible ensures that the claimant is advised in a timely fashion.

- ▶ If the CA accept that there is no issue over liability, but it is not possible to make an immediate assessment on claim value, the claims handler should write to the claimant to explain that liability has been accepted, and that the CA is currently assessing their losses. The CA may consider whether an immediate or interim payment can be made – see Section 7: Claim settlement.

→ 4.5 Refusing claims on riot definition grounds

If, on assessment, the claims handler determines that the claim does not meet the definition of a riot, the handler will need to formally notify the claimant of the decision.

It is important at this stage to understand that the claimant is likely to be disappointed by the decision as they are likely to have suffered losses which are simply not covered by the Act. Handlers should be sensitive to this and ensure that, when communicating their findings which lead to this decision, they empathise with the claimant and their position. In addition to this, they could refer them to other sources of support (e.g. charitable organisations aimed at supporting victims of crime).

The rejection letter to the claimant should reflect this level of empathy and clearly explain the reason(s) for the decision to reject the claim. This explanation should reference the basis for the decision (e.g. the relevant section of the RCA 2016 or the Regulations, or both – if applicable) and how this applies to the facts of the claim. If there are multiple reasons for rejecting the claim, these should all be outlined in the rejection letter. The letter should also provide details of the review and appeals process to follow if they wish to challenge the decision. Where dealing with a vulnerable claimant, care should be taken to identify if there are specific requirements around communication (e.g. language requirements.)

→ 4.6 Challenges to the decision to refuse on riot definition grounds

Following a decision to reject a claim, the claimant may wish to formally challenge the decision through the review process. It is therefore important to ensure that the decision has been clearly explained in the rejection letter, so that the claims handler can refer back to this when dealing with the claimant.

In the first instance, the matter should be considered in line with the review and appeals procedure, as set out in [Section 8: Service related complaints](#). This is likely to involve escalation within the relevant LPB. The claimant will have the right to raise the matter at the Tribunal, but will only be able to do so after exerting the right to an internal review of the decision.

For claims that are complex, controversial or of high value the CA may want to consider seeking legal opinion on the decision letter before it is sent to the claimant

→ 4.7 Further investigation required

There will be instances where the CA cannot make an immediate decision on whether a claim meets the definition of a riot, due to the need to carry out further investigation into the claim.

Given the potential nature of the damage for which a claim is being made, the CA should generally continue to investigate the other aspects of the claim (such as the degree as to which losses can be substantiated) but not make a formal decision on the case until the riot definition issue has been determined. This should be made clear to the claimant in writing ahead of any loss adjuster investigation taking place.

This approach ensures that elements of the claim can continue to progress, so that if it is clear at a later stage that the damage occurred due to a riot then the victim's claim will not have been significantly delayed by the investigation.

5. Claims reserving

→ 5.1 What is claims reserving?

The term 'reserving' refers to the process of estimating the total potential exposure following a loss. It is the amount of money which should be set aside for the eventual payment of a claim. It is an important tool to ensure that there are sufficient funds available to meet these claims.

Claims reserving will be necessary for riot compensation claims in order to assess the potential impact against local policing budgets. In the event of a riot, it will be important to determine as early as possible what the overall estimated exposure in relation to the riot is expected to be.

→ 5.2 Claims reserving approach

The method for reserving is straightforward, and is linked directly to how CAs assess the value of claims (as set out in [Section 6 – Assessing claim value & quantum](#)).

Key points:

- ▶ The claim reserve should be set as early as possible, i.e. once the claims handler has had the opportunity to assess the value of the claim. Where there is insufficient information to set an accurate reserve it may be that the CA will provide details of standard reserves to use. A standard reserve is an estimated amount reflecting the typical value of a claim of that nature. These are likely to be categorised based on the type of damage, e.g. a broken window would have a lower standard reserve than a building that burned down. A standard reserve should only be used until such time as additional information becomes available to enable an accurate reserve to be created (i.e. estimates, loss adjuster reports)..
- ▶ The reserve should be calculated on the basis of what the CA expects the final claim to be worth. This figure may change after the first assessment of quantum, as new information becomes available – where this is the case, the reserve should be updated.

- ▶ Details of where the claim reserve should be captured will be provided in the event of an incident giving rise to riot compensation claims. This may vary between CAs, although, in the event of a riot which spans more than one Local Policing Body, steps should be taken to harmonise reserving systems where possible.

→ 5.3 Global reserves

Global reserves will need to be established in large-scale riots, in order to ensure there are sufficient funds within the budgets of local policing bodies to meet the cost of all claims submitted in relation to a riot.

Claim handlers will not be directly involved in the process of calculating actuarial reserves, but it is important to be aware that the claims reserves may be used by actuaries to calculate global reserves as accurately as possible.

Global reserves (sometimes referred to as actuarial reserves) are normally calculated by personnel with actuarial expertise, as complex statistical analysis will be needed to estimate the total of known and unknown losses (i.e. claims for loss which have been incurred, but have not been reported, or have not been correctly estimated).

6. Assessing claim value & quantum

This section will explain how to assess quantum (the amount of compensation which should be paid) for riot compensation claims. The guidance will focus on the application of the Riot Compensation Act 2016 (RCA) and accompanying legislation, looking separately at the approach for domestic and commercial property damage claims, and motor vehicle damage claims.

→ 6.1 Property Damage claims

▶ General approach

At the start of the claim, the aim is to assess value as accurately as possible based on the available information, in order to ensure the Claims Authority (CA) is reserving correctly for payments, and to help ensure the efficient handling of riot claims. This assessment will be based on:

- Details of losses supplied by the riot victim; and
- Evidence needed to substantiate the financial interest and value of specific losses claimed for. In [Section 4.2](#) this guide sets out some of the points to consider when validating that a riot event has occurred, and that it was the cause of the claimant's loss. In this section, however, the focus is on the evidence needed substantiate the specific losses claimed for.

▶ Types of Losses

The below table outlines the main types of loss which may arise in relation to property damage claims, and the basis on which the CA should settle the losses.

N.B. for claims by insurers, it is important that claims handlers are aware of the potential differences between cover under insurance policies, and liability under the RCA – it may be that not all losses paid by the insurer will be recoverable from the Local Policing Body (LPB).

Loss type	Approach to quantum
Damage to Immoveables (domestic and commercial)	<p>Basis of settlement: Compensation for smaller value, partial losses may be provided via repair; this is the most common method of dealing with buildings claims.</p> <p>In the event of a total loss, the typical approach would be to rebuild the property. There is a statutory requirement for the building to be constructed in compliance with current building regulations, and the CA will need to pay for works to be completed in line with the regulatory requirements.</p> <p>It is also important to consider both the claimant's current use of the property and their future intentions. For example, in the case of a residential building it may be necessary to reinstate the property or some of its architectural features using the original construction methods to preserve its value. If the building is listed, this will be mandatory.</p> <p>However, consider the scenario of property that the owner wishes to sell – the measure of the loss would not be the rebuilding value but the diminution in the value of the property. This was established in <i>Leppard v Excess Insurance Co Ltd</i> (1979). In this scenario, a cash settlement may be a more appropriate approach (subject to this being less or equal to the cost of reinstatement).</p> <p>Alternatively, in the case of many commercial properties it may be both cheaper and more appropriate given the nature of the owner's business to erect a modern building rather than attempt to replicate the original property.</p> <p>Documentation:</p> <ul style="list-style-type: none"> • Smaller losses may simply be evidenced via repair estimates or quotations and invoices. Supporting photographs may also assist in establishing the nature and extent of the damage. • Larger losses will require the appointment of a loss adjuster. Where the total loss of a building will involve demolition and rebuilding, more substantial documentation will be necessary. This may require the involvement of several specialists such as structural engineers, architects, surveyors and project managers who will assist the settlement process to ensure costs proposed or put forward are reasonable.

**Damages to
Moveables
(domestic and
commercial)**

Domestic – Household Goods

Basis of compensation: Consideration should be given as to whether it is fair and reasonable to provide compensation on a new-for-old basis. The exceptions to this are motor vehicles and second hand goods.

Documentation:

- Photographs of the damaged property, purchase receipts, order confirmations, guarantees or boxes will all help. For further validation, check prices of items where make / models are known.
- **Undocumented losses** – A reasonable, proportionate approach must be considered in this case by the claims handler and loss adjuster. Evidence of a loss may be destroyed (for instance in the event of a fire) alternatively the claimant may simply not hold proof of ownership.

For lower value claims it may be reasonable to accept the claim as presented, however more expensive items will likely warrant bespoke investigation by a loss adjuster who will make enquiries with the claimant – one would reasonably expect the owner of a precious item to be able to describe the item and its history in some detail.

Cash will be treated as a moveable which should be compensated for. Where it is in a foreign currency, the CA should calculate compensation using the exchange rate on the date of loss. The level of documentation required will depend on the facts of the case. It would be reasonable to expect private individuals to be able to account for significant sums of cash. For commercial claimants, petty cash may be recorded, but this will not always be the case – claims handlers should therefore consider the type of business, the nature of the transactions it deals with, and any processes it has for recording its handling of cash, when determining what is reasonable.

Documents with monetary value – the CA will pay compensation for this loss, although steps should be taken to mitigate the loss where possible, e.g. where flight tickets are lost, these should be replaced through the airline at the lower administrative cost, which the CA will compensate the claimant for.

Stolen items – where the claimant's possession(s) have been reported stolen, the CA will treat them as lost if they not been recovered prior to the first payment date¹⁸. If the CA is made aware at the items have been recovered by the claimant after this date, an adjustment will need to be made to any remaining claim payments to reflect this.

¹⁸ Regulation 9(a) covers items that have been stolen and not recovered.

Commercial – Trade Contents and Machinery

In respect to contents for commercial businesses it is important to establish the ownership and/or responsibility of the items. Certain items may be hired or leased in which case the handler will need to see the agreement to establish responsibility.

Basis of settlement: Settlement could be provided via repair or cash settlement.

Please note the sections below dealing with commercial stock:

Documentation

Copies of estimates, quotations and photographs can assist towards settlement. Handlers should check if original invoices are available for validation; if these are not available, replacement prices can be sourced from manufacturers' agents.

When calculating quantum, the following deductions may be undertaken:

- VAT where this is recoverable by the Insured;
- Available discounts; and/or
- Reductions due to acts or omissions by the claimant (such as not installing adequate fire or security precautions).

See **C. Deductions** below for further detail on this.

Commercial Stock

Stock can be categorised as one of the following:

- **Manufacturers' stock**

Definition: This generally consists of raw materials, work in progress and finished stock.

Basis of settlement: The Regulations to the RCA make clear that the measure of compensation will be the cost of replacing the stock (not the market value / retail price)¹⁹. This should be based on what it costs the business at the time and place of the loss to replace the goods or return them to the condition to what they were before they were destroyed. Work in progress stock are those goods that have been partially manufactured but are not yet at the sale stage.

For raw materials, the basis is the replacement cost including delivery to site.

¹⁹ Regulation 10(2) refers to bases of compensation for stock held by a business for ordinary claims. Regulation 11(1) applies the same conditions to insurer claims

- **Wholesalers' and Retailers' Stock in Trade**

Definition:

Stock and materials in trade is the property of the claimant or held by them in trust for which they are responsible. This includes the physical items either purchased in or manufactured by the Insured which will be sold on in the normal course of their business.

Documentation:

A physical count by a loss adjuster is typically the most accurate method of adjusting a claim for wholesale / retail stock, however this may not be possible in the event of destruction or theft of the stock. In this case the adjuster may have to conduct a stock reconciliation. This involves a count of all remaining stock (including goods in transit), protection of undamaged and salvageable stock, and establishing the stock control and records systems.

Documentation and information required may include:

- The most recent audited accounts;
- Details of the last physical stock count prior to the loss and count sheets;
- Purchase invoices, goods inwards records, sales invoices, despatch records, details of any supplier or customer discounts; and
- In some cases, guidance from an experienced accountant may be required.

Basis of settlement:

The basis of settlement in most cases will be the cost of replacing the stock including transport and handling costs, not the retail price). This can be validated from the purchase invoice and deduction of VAT where this is recoverable by the claimant and discounts. In some cases the value of stock may not match with the original purchase price. If the claimant elects to replace the stock and the replacement cost has gone up or down since it was originally purchased, the current replacement cost may be the measure of compensation.

A complication may arise if the stock is obsolete - this is stock which is no longer capable of being sold in the normal manner and is out of date.

The replacement costs may be higher than the market price for the goods. Where this is the case, and subject to it being reasonable, the Claims Authority would cover the cost of purchase the replacement costs ('new for old').

- **Farming stock**

Basis of settlement:

For both livestock and produce, the local market price is the basis of an indemnity calculation.

For farming stock this is different as there is one market price for a particular day, whether one is buying or selling. This means the replacement cost is the same as the selling price.

► **Alternative Accommodation Payments**

Whilst the general position is that the CA will not pay claims for ‘consequential losses’, there is one exception to this – alternative accommodation payments.

Under Sections 8(2) and 8(3) of the RCA, **ordinary claimants** are entitled to compensation for the reasonable costs of having to stay in alternative accommodation for the duration that their property is uninhabitable due to repair works²⁰. **Insurer claimants** are not entitled to recover their losses under the RCA for alternative accommodation insurance claim payments.

It must be noted that a claimant should not be entitled to Housing Benefit, Universal Credit, other relevant benefit or an insurance payment in respect of the same property. If it later transpires that the claimant was in receipt of Housing Benefit or Universal Credit then a right of recovery exists for the LPB to reclaim any duplicate payments made in this regard²¹.

The LPB’s approach can be broadly summarised as follows:

²⁰ Regulation 15 covers the detail of alternative accommodation payments

²¹ Regulation 15(6)

- The CA should first make an assessment to ensure that the ordinary claimant's home has been rendered uninhabitable by a riot and that they need alternative accommodation.
- As a rule, the claimant should not be left out of pocket as a result of having to move out of their normal place of residence. In practice this means that a claimant should receive the cost of the reasonable alternative accommodation equivalent to the standard of their normal place of residence. Any claim requiring a claimant to evacuate their home is likely to require the instruction of a loss adjuster to deal with the damage to their property. As part of the instruction the adjuster should be asked to determine an appropriate rate for alternative accommodation in that area.
- Before payment the CA should ensure that the claimant is not in receipt of Housing Benefit or Universal Credit, including carrying out any checks with the Department for Work and Pensions (if necessary). This also applies to payments made by an insurer for alternative accommodation, as the CA must not compensate for this loss if it is covered under an insurance company²².
- The claimant must produce evidence of their ordinary outgoings in respect of rent or mortgage to assist in assessing claims of this nature. It is not unreasonable to expect the cost of temporary accommodation to exceed the claimant's regular accommodation costs by virtue of the short-term nature of the arrangement. Common sense should be applied when considering whether costs are reasonable. Considerations should include:
 - ▶ Is the property of a comparable size to the claimant's place of residence (i.e. same number of bedrooms / bathrooms)?
 - ▶ Is the temporary accommodation within the same locality as the claimant's residence? If not, was there a shortage of suitable

²² Regulation 15(5) refers.

accommodation available in the vicinity of the claimant's residence?

- The LPB will calculate compensation of a reasonable weekly rate, multiplied by the number of weeks that alternative accommodation was required.
- Compensation for losses of this nature will be subject to a maximum period of 132 days, in line with the standard combined period for notification of the claim and submission of evidence. Where repairs to a property are expected to exceed this period, the expectation is that the 132-day provision will afford the claimant sufficient time to make alternative arrangements. The CA should also signpost the claimant to their local authority for further assistance.
- Payments may also include any cost directly relating to the provision of the alternative accommodation (e.g. a letting agent's fee). It does not though cover indirect costs such as the increase in the cost of commuting as a result of being located in a different area.²³
- Temporary accommodation payments are generally considered as suitable for interim payments, i.e. the LPB will pay these before the claim has concluded (see [Section 7. Claim settlement](#) for further info). This is because claimants will often have mortgage or rental commitments which mean they are unable to pay for temporary accommodation as well.

► Deductions / Limits

- **Compensation Cap**

The RCA establishes that claims are subject to a £1m cap per claim²⁴. This cap applies separately to the insured and uninsured element of the claim.

²³ Regulation 15(3)(c) allows CA to pay costs associated with requiring alternative accommodation.

²⁴ Section 8(1) of the RCA sets the compensation cap at £1m per claim.

As explained in Section 3, where multiple insurers cover the same property through a co-insurance arrangement the £1m would be shared between the insurers, it would **not** apply to each individual insurer.

- **VAT**

The VAT Status of a claimant should always be confirmed as part of the claims process. Where the claimant is VAT registered, settlement should only be issued for the net sum for items for which the claimant can claim back VAT via HMRC. The claimant should settle the VAT element directly with the supplier / contractor. If the decision maker is instructing a contractor, it should be made clear when authorising any work if the claimant is liable to pay VAT.

- **Payments from charities, other private sources or public funds**

The Regulations make clear that payments from charities, private companies or individuals should not be deducted from any riot compensation settlement offered²⁵.

Payments made from public funds, however, would be subject to recovery and/or an equivalent deduction from any claim payments made (this is in line with the principle of Handling Public Money). In summary, deductions can be made if all of the following criteria are met:

- ▶ The sum is paid from public funds (i.e. from Central or Local Government, Arm's Length Bodies, other public services such as the NHS or police forces, and also any organisation which is publicly funded);
- ▶ The money given from a public fund is not a loan and no account should be taken of any benefits provided in kind;
- ▶ The money paid from a public fund was given for a purpose that is covered by the RCA; and

²⁵ Regulation 14 sets out that deductions may only be made where an individual or business has received funding from a public fund. No provision is made to reclaim an RCA payment where the claimant has received funding from a non-public source.

- ▶ The claimant must also have sought payment under the RCA and the public fund for the same purpose.

- ▶ Complicit behaviour

The Regulations allow for a decision-maker to be able to refuse a claim or reduce the amount awarded where there has been complicit or fraudulent behaviour on the part of the claimant²⁶. This may be identified via tip offs, information contained within police reports or suspicions that arise from documentation submitted.

Scenarios may include:

- Where a claimant has colluded or incited rioters to steal or cause damage to their belongings, stock or equipment.
- Where a claimant deliberately left their property / business unlocked, despite warnings from the police or local authority to take steps to secure it.
- Where a claimant has caused damage to the property themselves and tried to claim it as riot damage or added to damage caused by others (this could also qualify as fraud).
- The claimant suffered damage to their property but during the period of civil disturbances was convicted of rioting or another criminal offence committed under the cover of the disturbances.

Whilst insurers are likely to adopt a similar approach to the CA where their customer has been complicit in the rioting activity, the CA will need to be aware that individual insurance policies may, in some circumstances, operate differently to the riot compensation legislation. A CA may therefore refuse a claim on the grounds of complicit behaviour, even if an insurer has paid out to their

²⁶ Regulation 16 covers acts or omissions by the claimant, including both complicit behaviour and inadequate precautions. Again, the CA may take into account the actions or omissions of an insurance company and the person they have insured.

policyholder. Where this is the case, the refusal may also apply to claims by either the ordinary claimant or the insurer claimant.

Inadequate precautions taken by a claimant

Similarly, where factors exist that are established to have contributed to the damage caused, s8(4)(c) of the RCA provides that a decision-maker may reduce a claim in consideration of these issues.

Examples include:

- Inadequate security measures in place;
- Insufficient fire precautions, as required by building regulations, taken by the claimant;
- Failure to comply with appropriate building regulations, which could have reduced the damage to a building; and
- Hazardous materials inappropriately stored, contributing to the damage (e.g. chemicals or fireworks being kept in a domestic residence whilst failing to follow the safety guidance provided by the manufacturer).

Again, the CA may take into account the actions or omissions of an insurance company and the person they have insured.

Reduction of an Ordinary Claimant's or an insurer's settlement for these reasons or similar should be subject to a common-sense approach – would it have been reasonable for a claimant or an insured person to have taken such precautions given the circumstances of the loss?

Example

A shop keeper fails to close the shutters to their store front. A riot breaks out several hours later resulting in the looting of the shop by rioters.

In this case, it would be reasonable to suggest that the shop keeper had taken inadequate precautions.

By comparison, if the shop-keeper were to be confronted by a group of rioters while their store was still open, concern for the safety of the shopkeeper and any employees might override the expectation that the store could or should have been secured.

► Property damage claims by insurers

Where insurers pay for material damage caused by a riot, they will usually be able to claim for these losses against the relevant LPBs under the RCA. While approaches will vary between insurers, it is reasonable to expect that the insurer in question will have already taken reasonable steps to adjust the claim, involving the processes and documentation outlined above. It should therefore not be necessary in most cases for a CA to instruct a loss adjuster to further assess the claim (although the decision whether to conduct such an investigation rests with the CA).

Instead, the insurer should disclose their file of papers relating to the claim including images, estimates, invoices and loss adjuster reports in support of the sum claimed. Provided that costs paid are supported by the documentation disclosed then the insurer can be reimbursed, subject to the limitations of the RCA and the supporting Regulations. Cases exceeding a value of £100,000 should always be referred to a loss adjuster for verification.

An insurer may seek to recover any policy excess paid by their policyholder as part of the claim, unless it has already been reimbursed directly.

► **Proportional payment of the insurance claim due to risk presentation or underinsurance**

Proportional Settlements - CIDRA 2012 and the Insurance Act 2015

Two key pieces of insurance legislation have been introduced in recent years: the **Consumer Insurance (Disclosure and Representations) Act 2012** and the **Insurance Act 2015**. While it is not necessary to understand these pieces of legislation in their entirety, the key point to take is that an insurer may reduce a claim settlement to their policyholder:

Where an insurer discovers that their policyholder misrepresented the risk at the point the policy was sold, in some scenarios the insurer has the right to a 'proportionate remedy'. Where this is the case, the insurer may elect to proportionally reduce the settlement paid to their insured. The calculation will be based on the fact that a higher premium would have been charged, e.g. where the premium charged was £600, but would have been £900 without the misrepresentation, the insurer can choose to pay two thirds (600/900) of the value of the claim.

If an insurer makes such a deduction, the LPB will be responsible for paying the additional amount to the ordinary claimant (£300 in the above example), as well as paying for the insurer's loss.

An insurer has alternative remedies available: it may elect to settle the claim at its full value, but seek to apply an increased premium against their policyholder on the basis that this premium should have been applied from the start of the policy had the correct information been provided. In this scenario, the claim should be simpler for the CA as the insurer should recover the amount in full. However, it is important to note that the increased premium (i.e. £300 in the previous example) would not be recoverable in the event of a riot claim.

Finally, scenarios may arise where the claim may be rejected by the insurer as a result of the misrepresentation. In this scenario, it is worth noting that although the claim against the insurer may not be valid, this does not exclude the right to seek

compensation under the RCA. As such the claimant may direct their full claim to the CA.

Underinsurance

The maximum amount recoverable under many insurance policies is limited by the sum insured or the limit of indemnity (or limit of liability) unless there is unlimited cover. Underinsurance arises where the value at risk is more than the sum insured or limit of indemnity / liability. This is where the cover is not sufficient to meet the full amount of the claim. In these cases, to address the underinsurance a proportionate approach in settlement may be used. Insurers may do this by applying an '**average condition**', a policy term that limits an insurer's liability for claims in proportion with the percentage of the risk which has been insured. Where a risk is underinsured, the policyholder is treated as 'self insuring' for the uninsured proportion of the risk.

Where an average condition has been applied by an insurer, there will also be a separate claim for the uninsured element of the loss which the riot victim can bring against the LPB under the RCA. To avoid duplication of work, the insurer's valuation should be reviewed and accepted on the same basis as it would where the full loss is covered.

Example:

Ms Brown insured her home with Insurance Co, with a sum insured value of £300,000 and a £250 policy excess. As a result of a riot, the property has suffered £10,000 of damage as a result of vandalism. However, when the loss adjuster delivers their report to Insurance Co, the property is established to have a reinstatement value of £500,000.

As the reinstatement value of the property is more than the sum insured, Insurance Co therefore applies the average clause in the Ms Brown's insurance policy to the claim.

Application of 'average'

$$\frac{\text{Sum insured}}{\text{Value of Goods}} \times \text{loss} = \text{Claim Payment}$$

/Property at Risk

Therefore Insurance Co pays Ms Brown:

$$\frac{\text{£300,000}}{\text{£500,000}} \times \text{£10,000} = \text{£6,000}$$

After the deduction of the £250 policy excess the claim payment is £5,750.

Therefore, Insurance Co will be entitled to a claim payment of £5,750 from the LPB. Ms Brown would be entitled to bring a separate claim for the remaining balance of £4,250 against the LPB.

→ 6.2 Motor Damage Claims

- ▶ What losses are covered?

As with property damage, compensation in respect of damage to motor vehicles shall be paid for **material damage only**. A key difference is that claims may only be presented via the CA under the RCA where the claimant does not have a motor insurance policy with cover for riot damage.

If the claimant has insurance with cover for riot damage, the claimant should pursue their claim via their insurer. Any policy excess payable under their motor insurance cannot be recovered. Furthermore, the insurer cannot recover any sum paid for motor vehicle damage under the RCA.

In most cases if the claimant does not hold any valid insurance and/or has not paid vehicle excise duty then the RCA is clear that compensation should not be paid. CAs should note that the RCA does contain some exceptions to this rule for vehicles that are exempt from insurance requirements (see the Schedule to the RCA).

Typically speaking the RCA will only cover claims where an individual has third party type insurance. This will ensure that such claimants are compensated for the costs of damage to their vehicle that occurred during a riot.

► Mobile businesses

- Generally speaking, there is no right to claim for damage to or theft of personal effects and other contents contained within a motor vehicle.
- There is one exception to this - claims relating to Mobile businesses²⁷ where items or stock are essential for the company to carry out their business. Examples would include the tools for a plumber, electrician or mechanic who have had their tools stolen from their van. This exception exists for business items only and does not extend to personal effects. Likewise, this exception does not extend to external damage to the vehicle itself - the right to claim is based on the level of insurance cover that the claimant holds as outlined above.
- Insurers would also retain the right to recover any payments that fit within this category.

²⁷ An amendment to Section 2(3)(b) of the Riot Compensation Act was made through the Regulations to include provision for mobile businesses.

- This provision for mobile business also extends to trailers, roof boxes or any other devices that can be attached to vehicles to hold stock or equipment used in connection with a business, e.g. a holding device used by glaziers to secure glass to the outside of a van.

► What form of compensation is suitable?

Motor claims will be settled on an indemnity basis. One of three methods will be followed:

- **Repair** - the damage caused to the vehicle in the riot is repaired by a garage of the claimants choosing or through an approved garage appointed by the CA (for which there is provision under the RCA (Section 3(5) refers)²⁸. This should be the first option to be explored unless the vehicle is clearly uneconomical to repair.
- **'Total loss'** – this is paid where the vehicle is either uneconomical to repair or the damage to the vehicle is so significant that it is unsafe to go back on the road. Typically, an engineer will consider a vehicle to be uneconomical to repair where the cost of repair exceeds between 60%-70% of the vehicle value.

In this scenario, the claimant is indemnified through payment of the market value of the vehicle. Typically, an engineer will use an industry guide (such as Glass's Guide²⁹) to establish the value of the vehicle.

If the vehicle is retained by the claimant (for instance, they still may wish to complete the repairs at their own cost), a deduction should typically be made for the 'salvage value' of the vehicle – the cost of the vehicle in its current condition.

²⁸ Regulation 20 allows for CAs to pay for repairs to be carried out at its own expense rather than offer monetary compensation.

²⁹ <http://www.glass.co.uk/>

- **Cash in Lieu of Repairs** – while this is technically a means of providing indemnity, this is not a method that should be promoted or encouraged in motor claims.

▶ **Instruction of Experts**

It may be that in low value claims (e.g. below £500), the claims handler should look to self-authorise repairs – claims handlers will be provided with details of authority limits for settling claims in the event of a riot.

If an initial estimate of damage has been prepared through an engineer chosen by the claimant then, in the majority of cases, the most appropriate course of action for CAs will be to instruct their own motor engineer to assess the damage to the claimant's vehicle – these include:

i. Independent Motor Engineer

The engineer shall look to determine the extent of the damage, agree costs with the claimant's nominated garage and provide authority for the repair work to proceed.

If the vehicle is uneconomical to repair, the engineer shall advise the claimant and negotiate a settlement figure as outlined above.

On some occasions, the claimant may have already had repairs carried out to their vehicle and paid the repairer. In this scenario, the matter should still be referred to an independent engineer to confirm that costs paid are reasonable.

ii. Forensic Engineer

If the vehicle has been damaged by fire, a forensic expert should be instructed to assess the damage to confirm that the damage has occurred as a result of riot damage and not another cause (e.g. electrical failure).

► Evidencing the claim

Repairs

Typically, the engineers report and (if repaired), the subsequent invoice from the garage will be sufficient evidence to support the valuation of a claim.

However, if a vehicle has already been repaired, it is reasonable to request that the claimant provide a copy of the estimate obtained prior to repairs commencing to assist the engineer in validating the claim.

Total Losses

Again, the engineers report will normally be sufficient to support the value of the claim. In the event of a disputed valuation, the engineer may request that the claimant provide evidence to support their higher valuation (such as local Auto-Trader adverts for equivalent vehicles) to enable their decision to be reviewed.

► Losses not covered

The following is a list of types of claim that could potentially be presented in connection with vehicle damage which would not be recoverable from an LPB:

- Policy excess;
- Personal injury;
- Loss of earnings;
- Hire of replacement vehicle (including 'Credit hire'); and
- 'Diminution' - loss in value of vehicle as a result of repair work due to Riot Damage.

→ 6.3 Claimant / Claims Authority Expenses – RCA 2016 s8

Section 8 of the RCA sets out provisions for the inclusion of reasonable costs and expenses incurred by the claimant in the compensation amount, and a power for the CA to apply a deduction to settlement to reflect the costs of administering compensation. Guidance on the approach which should be taken to these claims adjustments is set out below:

(i) Reasonable costs and expenses – RCA 2016 s8(6)(a)

- In order for such costs to be compensated by the CA, they must relate to evidence submitted “at the Authority’s request”.
- Such costs will generally be unusual, and will relate to aspects of the claim specific to the individual claimant, e.g. specialist survey required due to the nature of the claimant’s property or business.

(ii) Deductions to reflect administrative costs - RCA 2016 s8(6)(b)

- Such a deduction should only be made in line with the CA agreed approach, which should be confirmed following a riot event.
- An administrative cost may be applied to all claims, to larger claims, or on a staged approach (e.g. higher fee for larger claims).
- It is also possible that the CA will not apply a deduction.

7. Claim settlement

→ 7.1 Authority / review process for approving payments

Claims Authority (CA) staff and loss adjusters assessing riot compensation claims will have a specific authority in dealing with such losses, and this will often be measured in financial terms. There can be other limits to an individual's authority though, such as:

- ▶ Types of claim (e.g. motor claims could be processed by a different specialist body);
- ▶ Litigation risk (where it is evident from the outset there is a significant threat of legal action); and
- ▶ Rejection of claims (e.g. resubmitted claims).

Throughout the life of the claim, from the notification to settlement, the claims handler must ensure that they are working within their authority limits.

There must be clear guidelines in place for the claims handler to escalate the claim internally if the loss exceeds the individual's authority. If the claim is above the individual's authority, they must escalate this accordingly and obtain necessary approval before proceeding, prior to communicating the decision to the claimant.

In some instances, loss adjusters may have been appointed to act with delegated authority and will be authorised to settle claims up to a certain value without requiring further approval. Note the Regulations in this regard sets a maximum limit for decision-making by a contracted party of £25k, however the decision on what limit to apply rests with the Local Policing Body³⁰.

³⁰ The delegated claims limit is set in Regulation 8(2)(b).

For a loss adjuster acting under a delegated authority, there should be clear guidelines in place for what they can and cannot do and who they need to report to should they be required to do so. Please see [Section 11 – Managing claims handled under delegated authority](#) for an example of the Authority Table.

→ 7.2 Interim payments

As soon as a claim is notified, the claims handler should try to establish the potential value of the claim. This way, once liability is established, settlement can follow swiftly. Delays in settling claims can often occur as a result of uncertainty around the final settlement value.

If appropriate, interim payments can be used as a way to reduce delays in achieving final settlement. While the use of interim payments is encouraged in a broad sense, they may be of particular benefit where dealing with a vulnerable claimant.

If delays do occur, the claims handler should consider the potential impact on the claimant as a result of the delay. When it has been accepted that damage occurred because of a riot, and enough supporting information has been received to support an interim payment for costs incurred to date (including, where appropriate, confirmation from loss adjusters that losses have been substantiated with documentation), the claims handler should try to make interim payments before final settlement. When making any interim payment it should be communicated that the payment is not intended as full and final settlement to avoid any misunderstanding or complaints.

Where the loss adjuster is acting under a delegated authority:

Depending on the authority of the loss adjuster, as per the terms of their instruction, smaller interim payments can be agreed by the appointed loss adjuster whilst higher value payments will need to be approved by a claims handler or senior staff member.

Please see the process map on the next page, which sets out the points which need to be considered before making an interim payment:

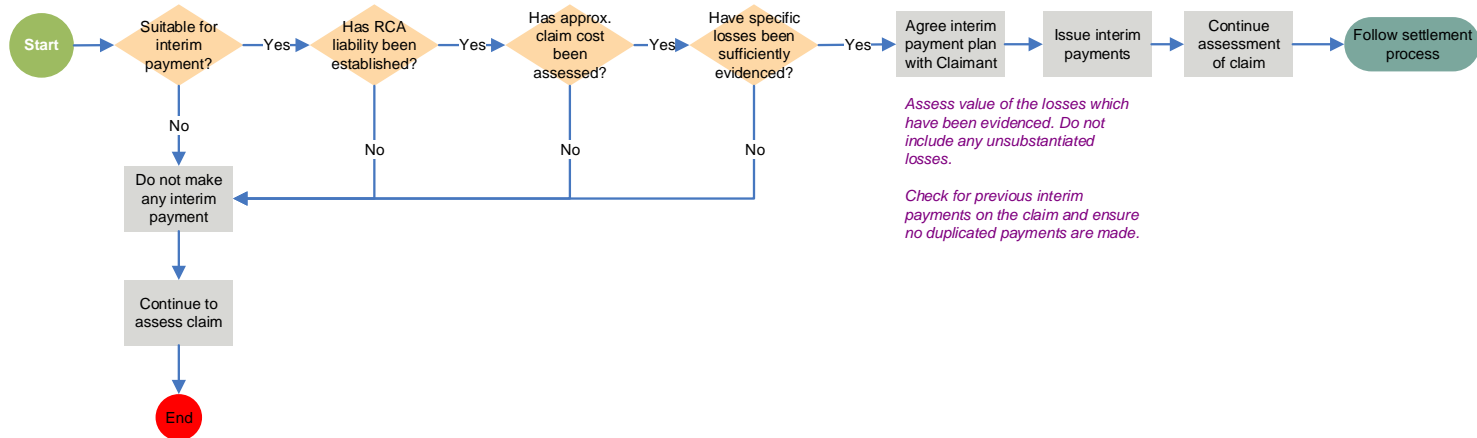
There are some types of claim where interim payments will be necessary to ensure that the claimant's losses can be compensated for, e.g. in claims for property damage where re-building is required, it is likely that the contractors will need to be paid during the completion of the works.

Process Map: Interim Payments

Timeline



Claims Handler / Loss Adjuster



→ 7.3 Method of payment

The method of payment should be decided with reference to the type of claim and the needs of the claimant. The options for uninsured Ordinary Claimants have been set out in the table below:

Table: Uninsured claimants – payment methods

Method of payment	When is this suitable?
Direct bank transfer (default option)	In most cases, the CA will look to pay the claimant directly for their loss, as this is administratively the most straightforward option.
Direct payment to contractors / retailers / temporary accommodation provider	The handler can agree with the claimant to pay their appointed contractor or the seller of replacement items directly.
Replacement items sourced by LPB / RCB	For certain types of damaged item, the CA may have access to direct replacement via loss adjuster suppliers. Handlers should explore this option where possible, as the CA can often replace items at a lower cost than the individual claimant would be able to do.
Alternative payment methods	Various forms of electronic payment may be possible and straightforward to implement.

→ 7.4 Agreeing terms of settlement

When the CA is decided on the amount it intends to settle the claim for, the claims handler should send a written decision letter to the claimant (either by post or electronically), and seek confirmation details of their preferred method of payment. To ensure timeliness of settlement, it is advisable that the preferred method of payment and bank details (if necessary) are obtained by phone. There is no statutory requirement for a discharge form to be issued to the claimant, but it is for the CA to decide locally if their internal processes require a discharge form to be issued.

→ 7.5 Timeliness of settlement

Once it has been decided to settle a claim, either partially or in full, the CA should process payment within 10 working days of receiving the claimant's confirmation of their preferred method of payment and (if necessary) their signed discharge form. There should at this stage be no barrier to finalising the claim, and it is beneficial to both the claimant and the CA to resolve these matters as efficiently as possible.

Where this is not possible (e.g. due to delivery times for replacement items), the claims handler should notify the claimant of the anticipated date of settlement.

→ 7.6 Capturing settlement data

In line with the CA's broader approach to recording claims data, it is vital that the handler immediately updates records of final claims decisions, including details of settlement. Handlers must also record details of any interim payments and payments by instalments.

This will allow the CA to provide accurate data on volumes and the proportion of claims which have been settled, rejected or are outstanding. Accounting and audit requirements for local policing bodies will require them to undertake an internal audit of the handling of claims and payments made. Such information will also be subject to external audit by the National Audit Office.

It is also possible claims information in an RCB or local policing bodies could be subject to Parliamentary scrutiny or become the subject of media attention, hence the need to capture accurate data is extremely important.

8. Service-related complaints

→ 8.1 Overview

Complaints regarding the claims handling and Claims Authority (CA) decisions are likely to be received in a minority of cases. The key to minimising disputes is in fair and consistent claims handling as laid down in this guide. However, if complaints are received they should be handled promptly, professionally and above all else fairly.

This section sets out best practice for handling complaints relating to service (e.g. delays, attitude of staff). For complaints relating to decisions to refuse or partly refuse claims, or to the method of compensation, the CA should follow the formal review process set out in Section 9 (although this will follow a broadly similar process for the review stage).

N.B. Riot compensation related complaints handled by the police will fall outside the remit of the Independent Police Complaints Commission (IPCC).

→ 8.2 Complaint definition

For the purpose of riot claims, the CA will use the definition of a complaint below. This is derived from the FCA's complaint definition, which they apply when dealing with financial services firms:

Complaint definition:

Any expression of dissatisfaction about our handling of a claim – whether in writing or spoken – is considered to be a complaint. Where a verbal complaint is made it is a requirement to request this in writing in order to progress this formally.

The scope of this is broad, and it is important that CAs hear and consider the grievances of claimants, so that they can address concerns and where they are justified, look to improve their approach.

Complaints / representations can generally be split into those relating to claims decisions (claim refusals, assessment of damages, etc.) and those relating to claims handling (failure to respond, lost correspondence, claims handler attitude, etc.). Complaints falling into the decisions category will generally be handled in line with the procedure set out in Section 8 above.

→ 8.3 Process

(i) First Contact

Complaints can be made by claimants using the following methods:

- ▶ CA online complaint form;
- ▶ Written letter;
- ▶ Telephone call;
- ▶ In person;
- ▶ Via a solicitor or MP; or
- ▶ Via a loss adjuster.

Where complaints or representations are received verbally, it is a requirement to ask the claimant or their representative for this to be submitted in writing. Where a complaint has been raised against a supplier directly, they will normally be given an initial period within which to resolve the matter (e.g. 72 hours), after which the matter should be referred to the CA.

Whenever complaints or representations are received, every step should be taken to attempt to resolve the dispute at the first point of contact. The claims handler should consider the nature and seriousness of the representations and how it should be resolved. This may, for example, be a matter of providing further information of how a decision was made or addressing any misunderstandings. Possible resolutions are looked at below under **(iv) Outcome**.

(ii) Escalation

If a complaint **relating to the service** provided by the CA cannot be addressed by simply providing further information, the CA should implement a system

whereby cases are reviewed by involving more senior or independent staff. This could include:

- Establishing a panel to consider representations and complaints;
- Using a senior official from the CA who is not directly involved in the normal decision-making process; or
- Using someone independent from outside the CA.

The claimant should be kept informed about the progress of their complaint / representations, and a '**final response letter**' should be sent no later than eight weeks from when the complaint was raised.

Throughout the processes detailed above, it is imperative that consideration is given to the status of the complainant to assess whether they are vulnerable claimants. If this is established then consideration should be given to accelerating the timescales for the management of the complaint and the provision of adequate support to the claimant.

Conflicts of interest

It is essential that the complaints process is completely fair and transparent and, therefore, consideration should be given to ensure any perceived or actual conflicts of interest are removed from the complaints process. Escalation referrals should therefore be raised with someone who has not handled the claim previously.

(iii) Investigating a complaint

Where appropriate, the CA should consider taking the following steps as part of an investigation:

- Investigating initial facts as raised by claimant;
- Review calls and correspondence;
- Speak to others who have dealt with the claim; and

- If handled by a Riot Claims Bureau, they should consider contacting the relevant Local Policing Body (LPB) to discuss the complaint.

(iv) Outcome

After the investigation is complete and reviewed through the escalation process at (ii) above, the CA should decide on the outcome, i.e.:

- They are upholding the complaint / representations;
- They are partially upholding the complaint/representations; or
- They are not upholding the complaint.

For all adverse decisions the CA should clearly explain the rationale for the decision, including details of any applicable legislation, and remain empathetic to the claimant's situation.

If upheld the CA should confirm this in writing and outline any resolution which has been agreed. This could include one or more of the following:

- An increased settlement;
- Financial compensation for any quantifiable expenses incurred by the claimant; and
- An apology.

The outcome letter should also confirm what steps the claimant may need to take in relation to their claim. The CA should advise at this stage that if the claimant is not happy with the decision, they may have recourse through the formal appeals process (outlined below).

9. Formal review and appeal

→ 9.1 Review

This section provides an overview of the formal review and appeals process³¹. Complaints relating to service (e.g. delays, staff attitude) are dealt with in Section 8.

Claimants (or their representative) are entitled to seek a review of the CA's decision to:

- Refuse the claim;
- To meet the claim for an amount that is less than the amount claimed; or
- To arrange for repairs instead of monetary compensation.

The review of a claim decision will follow the same process set out for **investigation** and notification of the **outcome**, as set out in Section 8.3 above.

→ 9.2 Formal Appeal

If the claimant has exhausted the Review procedure, they will be entitled to refer the matter to the **Upper Tier Tribunal** (Lands Chamber) as a **formal appeal**. A representative may also submit the appeal on behalf of the claimant.

The CA should explain to the claimant that they are entitled to make an appeal to the Tribunal. This will effectively be a legal action by the claimant, but the Tribunal will provide a forum more specifically designed to handle disputes relating to riot compensation claims than the courts. The fees for the Tribunal will vary depending on the claimant's circumstances. Further detail is provided through the links below:

<https://www.gov.uk/appeal-upper-tribunal-lands/how-to-apply-or-appeal>

The purpose of the Tribunal is to ensure that an independent body reviews the matter and determines whether or not the claimant has been treated fairly and in

³¹ Decision-making, reviews and appeals are covered within Regulations 21 to 24.

accordance with the relevant legislation (i.e. the RCA 2016 and supporting regulations). The Tribunal process is also more accessible to the majority of claimants than court action, as the process is more time and cost efficient.

It is worth noting that while less costly than county court litigation, a Tribunal referral will still incur costs and the CA should in some circumstances consider the economic merits of resolving a complaint to avoid Tribunal fees being incurred.

10. Closed, dormant and lapsed

→ 10.1 Closed claims being reopened due to new evidence

There may be circumstances where new evidence (outside the initial 90 day period for submitting documentation) becomes available after a claim is partially paid out or is rejected³².

Where new evidence is made available by the claimant, the Regulations to the Riot Claims Act 2016 (RCA) provide Claims Authorities (CA) with the ability to reopen a claim although there is no obligation to do so. The following points should be considered when deciding whether a claim can be reopened:

- Is there a reasonable explanation as to why such evidence has only become available at such a late stage?
- What is the nature of the evidence? Does it fit with the types of evidence listed in Section 4.2?
- Had the documentation been submitted originally with the claim would it be deemed as reasonable evidence?
- Is there any overlap with what might have been paid already?

³² Provision for this is made in Regulation 13.



An example:

“A residential property has suffered fire damage and a valuable ring had been lost, but the claimant could not prove ownership due to the receipt being destroyed in the fire”

The usual procedure would be that the claim would be settled without any compensation for the ring. However, if at a later date the claimant was then able to provide photographs to evidence the ring, it would be possible for the claim to be reopened. A decision would then be taken on whether to provide compensation for the ring. This should be considered as if it was part of the original claim. On receipt of this information the claimant should also be asked why the new evidence was not able to be provided with the initial claim. Once satisfied that compensation is required, an additional sum can be paid on top of the sums already paid out before (subject to the limit) if the claim itself for the ring (without evidence) appears to have been brought within the relevant time period.

→ 10.2 Claims refused or settled under the 1886 Act being reopened after 6 April 2017

The RCA does not apply to claims for compensation which relate to events before the Act came into effect. The relevant time period for bringing claims are 42 days, so a new claim brought under old legislation would be considered under the terms of the Riot (Damages) Act 1886.

Any rejected claim which arose after the RCA come into force that has new evidence should be dealt with, as per Section 9.1 above.

→ **10.3 Claims where inadequate evidence is submitted**

Where the claimant has not submitted adequate evidence to determine a claim within the 90 day period specified in the Regulations, and has not provided a reasonable explanation in accordance with Regulation 6(4), a CA may refuse that claim under Regulation 7(4).

Similarly, if the investigation of a claim extends beyond 90 days, and a claimant fails to respond to requests for further information, the claim may be dismissed on the grounds that inadequate information has been provided under Regulation 7(4).

11. Managing claims handled under delegated authority

→ 11.1 What is delegated authority?

As delegated authority often arises in insurance (and in a similar way to how it applies to riot compensation claims), it is helpful to look at how the FCA defines this term. In the context of riot compensation claims, a Delegated Authority Agreement (DAA) between a Claims Authority (CA) and a supplier company (normally referred to as a Third Party Administrator or TPA) will mean that the supplier can have full or limited control of the handling of compensation claims. The DAA will govern the extent and impact of any accompanying allocation of activities. The TPA will essentially act as an extension of the CA claims handling function. For this type of claim, an external loss adjuster will typically be appointed as the TPA who will handle claims under a delegated authority. Approaches may differ depending on which local policing body (LPB) is responsible for compensating claimants, as internal procedures and arrangements between departments may restrict the extent to which delegated authority can be used.

Where claims are handled under delegated authority, the CA will still have overarching responsibility for the handling of claims, and so controls are needed to ensure that claims are handled to an appropriate standard. This is considered further below.

Delegated authority is defined as

...“an arrangement of any form between a firm and a service provider by which that service provider performs a process, a service or an activity which would otherwise be undertaken by the firm itself”.

FCA Handbook Glossary:
'Delegated Authority'

→ 11.2 Our approach – appointing loss adjusters

In order to ensure the smooth handling of compensation claims in the event of a riot generating a number of claims, a CA may put in place a DAA with a loss adjuster firm who will act as the TPA, for them to handle a substantial proportion of the claims that the CA receives.

As part of the process of selecting panel loss adjusters, the CA are under an obligation to ensure that the firm has suitable expertise, experience and the capacity to deal with riot compensation claims³³. In particular, firms must have expertise in handling claims for material damage and in dealing with liability claims under delegated authority, e.g. for insurance companies.

The CA's general approach is to put in place limits on the level of authority which is delegated, as part of the DAA. This point is considered in more detail under **Section 11.3**, and the limits are highlighted throughout this guide where they apply.

→ 11.3 Authority levels

As highlighted above, limits have been agreed on the level of delegated authority placed with loss adjusters. Where a claim is outside the authority level for the adjuster they will need to contact the CA for approval on claims decisions. This will normally arise where claims are above a specified value, in this regard the Regulations to the RCA sets a maximum delegated limit of £25k. However the CA may choose to set a lower limit. Details of authority limits will be provided by the CA after a loss adjuster has been appointed.

Other scenarios where a claim may fall outside the TPA's authority include:

- ▶ **Complaints** – in line with the complaints process (Section 8), the CA will handle complaints raised about loss adjusters acting under delegated authority. Depending on the circumstances, it may also be appropriate for the

³³ Regulation 8 provides the ability for a local policing body to outsource claims but only to a company it considers has the capacity and expertise to handle the anticipated volume of claims.

CA to take over the handling of the claim or appoint an alternative delegated authority to reassess the case.

- ▶ **Average clause** – see [Section 6](#) for further information on this.
- ▶ **Fraud, complicit behaviour, criminal behaviour** – again, the loss adjuster may be best placed to investigate and keep the CA informed, but any action against the claimant will need to be authorised by the CA. It is also possible that a Local Policing Body could initiate a criminal investigation depending on the facts of the case.
- ▶ **Failure to take preventative measures** – whilst claimants cannot be expected to anticipate and completely prevent criminal damage to their property, there may be minimum steps which should have been taken, e.g. to comply with Health and Safety Regulations for fire prevention, or to make provision for a reasonable standard of security commensurate to the type and size of their business. Failure to do so may result in a reduction or refusal of the claim and this point should generally be referred to the CA to consider.
- ▶ Claims which may attract **media attention** – particularly relevant for riots, as they are high profile events, and there will be cases which are more likely to attract media attention. Loss adjusters are obliged to notify the CA where this is the case, so that the CA can have greater control over the handling of the claim.
- ▶ **Legal issues** – issues can arise during the course of a claim which are likely to result in the need to seek legal advice, e.g. threat of civil proceedings by the claimant, or probate issues following the death of the claimant. These developments may take the claim outside the TPA's authority.

→ 11.4 Service level agreements / Contracts with loss adjusters

It is important that loss adjusters handle claims in line with the CA's own standards and 'claims philosophy' (set out in [Section 1: Executive Summary](#)). It is therefore likely that Service Legal Agreements (SLAs) or an alternative agreement will be set out in a contract between the CA and the loss adjuster – these outline the various standards that the loss adjuster must comply with.

Claims handlers will need to be aware of SLAs / contracts which the loss adjuster has agreed to so that they can effectively manage expectations, identify possible delays and escalate where necessary.

In the event of a riot, details of SLAs / contracts will be provided to claims handlers to support oversight of the agreed service standards. It is important that the CA maintains appropriate oversight over outsourced functions, as it will ultimately be responsible for their decisions and the actions that they take.

→ 11.5 Loss adjuster charges

Loss adjuster fees are normally paid per claim as a set fee, in line with the supplier agreement that will be set up when they are appointed. Different fees may apply depending on the value and complexity of the claim. There may also be situations where specialist knowledge will be required, once again this cost should be agreed before any work commencing.

In certain situations, it may be possible to link loss adjusters' charges with Delegated Authority levels.

The claims handler should include details of the fee when recording claim details (initially as part of the reserve, then as part of the claim costs once paid).

Detailed information on the fees and fee budget will be provided to claims handlers after a loss adjuster has been appointed.

It should be noted that where loss adjusters are acting under a Delegated Authority, VAT will not be applied. However, for those situations where no Delegated Authority exists, VAT should be applied.

→ 11.6 Claim settlement fund

Depending on the scale of a riot event, a CA may set up a 'claim settlement fund', so that loss adjusters can directly process the payment of claims, without having to use their own funds or to request payments be issued by the CA.

Details of any settlement fund and payment method will be provided to claims handlers at an early stage, and the CA will put in place safeguards with the loss adjuster(s) to ensure that CA funds are protected. This will involve segregated bank accounts and a reconciliation process.

→ 11.7 Monitoring & auditing

In order to ensure that loss adjuster firms meet the required standards in the event of a riot, the CA should use the services of external auditors to carry out sample audits of the claims they handle.

The loss adjusters will provide regular management information to the CA, so that any issues can be identified at an early stage.

12. Fraud

→ 12.1 Overview

Whilst the majority of claims submitted in respect of riots damage will be genuine, fraudulent claims may still occur, and this section provides guidance on how to handle claims where there is suspected fraud. In terms of the general approach which should be taken, importance needs to be placed on the balance between protecting the public purse through preventing fraud and ensuring that valid claims are not unreasonably rejected or delayed.

The legal definition of fraud is set out in the Fraud Act 2006. Three categories of fraud are set out in the Act, namely:

- ▶ False representation;
- ▶ Failure to disclose information; and
- ▶ Abuse of position.

For fraud to be established under the Act, there needs to be an identifiable intent to make a gain, cause of loss or to expose another to the risk of loss.

→ 12.2 Opportunistic & organised fraud

Fraud in the context of riot compensation claims would include any act committed with the intent to gain a fraudulent result in the course of submitting a claim. Claims fraud can broadly be split into opportunistic and organised fraud:

- ▶ Opportunistic claims fraud typically involves claimants exaggerating legitimate claims, e.g. a shopkeeper claiming for items which were not taken.

- ▶ Organised fraud will generally be less likely to arise in riot claims, but it is important to be aware of the possibility that someone will commit an act of pre-planned fraud, e.g. placing pre-damaged vehicles in a 'riot' area and submitting a claim for riot damage.

→ 12.3 What to do with suspected fraud

If fraud is suspected it is important that further enquiries are undertaken and conducted in a way which protects the individual's privacy, as required by data protection legislation (we look at this further in Section 13 below).

Further investigations will be required, and it may be that further documentation will need to be obtained in order to fully establish whether fraud has occurred and the extent of any fraudulent activity. Where dealing with a vulnerable claimant it is particularly important to have regard for the full circumstances of the case and whether the actions of the claimant are likely to have been deliberate or not. Language barriers, learning difficulties or stress are just some factors which could give rise to misunderstandings during the claim process.

It may be appropriate to refer the claim to another department within a Local Policing Body (LPB) to investigate.

Guidance may be provided on the possible use of alternative sources of claims information which would help identify fraud, e.g. databases developed by insurance industry and the Insurance Fraud Enforcement Department (IFED) – an insurance funded police department).

13. Data protection

→ 13.1 Handling claimant data

The EU General Data Protection Regulation (GDPR) provides the legislative framework for the protection of personal data, and its implementation in the UK has been supported by the Data Protection Act 2018. Both statutes came into force on 25 May 2018 and have for the most part replaced the Data Protection Act 1998, therefore impacting officials in public authorities whose day-to-day work involves handling of personal information of members of the public.

The purpose of the GDPR is to protect the rights of individuals about whom data (information) is obtained, stored, processed and disclosed, and governs what may, and may not be done with personal information (whether electronic or manual form).

There are broad principles that apply to the processing of personal data, set out under GDPR Article 5(1). Under these principles, personal data must be:

- processed lawfully, fairly and in a transparent manner in relation to the data subject
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes.
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.
- accurate and, where necessary, kept up-to-date.
- kept for no longer than is necessary for that purpose.
- processed in a manner that ensures appropriate security of the personal data

In addition to the above, there are requirements to maintain a record of personal data processes, to have in place safeguards for the processing of “special categories of personal data”, for data protection measures to be implemented by design and by default, and rules that apply to the transfer of personal data outside the European Economic Area. Data controllers are also responsible for ensuring that their suppliers (e.g. loss adjusters) can demonstrate their compliance with GDPR.

Potential consequences for failing to comply include:

- ▶ A fine by the Information Commissioner’s Office (ICO) up to €20m or 4% of global turnover, whichever is higher. For some types of breach, this is limited to €10m / 2% of turnover.
- ▶ Claims for compensation
- ▶ Suspension of processing activities
- ▶ Individual repercussions for breaches of internal policies

For more information, please see the ICO’s guidance: <https://ico.org.uk/for-organisations/>

→ 13.2 Interaction with fraud approach

Under the DPA 2018 Schedule 2, Part 1, Para 2, personal data may be processed for the prevention or detection of crime, and may in some circumstances be shared with relevant bodies without the need for consent.

The following points are examples of measures that should be applied to ensure GDPR compliance. For further information, please refer to internal data protection guidance.

- ▶ Do not share personal information unless there is a legal basis for doing so, or it can be shown to be for the prevention and detection of fraudulent claims;

- ▶ Follow any security and authorisation procedures, particularly when in person or over the phone;
- ▶ Access must be limited to those who have a need to access the information to carry out their investigation. This ensures there is less risk of unauthorised or unlawful disclosures;
- ▶ Data security measures must be put in place and maintained; and
- ▶ A record is to be kept of any unauthorised attempt to gain access to personal data which is detected or suspected, with details of any breaches going through the relevant internal and external notification processes

→ 13.3 Requests under the Freedom of Information Act 2000

As a public body, the Claims Authority (CA) may receive request for information, in line with Freedom of Information Act 2000 (FOIA). Requests may relate to general information (e.g. statistics on the number of claims settled or refused) or to individual cases. Claims handlers should therefore be prepared to deal with these when they arise.

Key points to be aware of:

- The CA will have 2 separate duties following a request – (1) to confirm whether it holds the information requested, and (2) to provide this information.
- There are various exemptions which apply, and this point is looked at in more detail below.
- Where the request relates to general information, rather than individual cases, the CA will need to consider whether it is appropriate to provide the information within the scope of the FOIA.
- There are timescales which apply to responding to FOI requests – generally, they must be responded to within 20 working days, but bodies should try to respond as quickly as possible.

Individual cases - the 'personal data' exemption

Under s40 of the FOIA, there is an exemption which applies to requests for personal data in certain circumstances. Subsection 40(3)(a) states:

(3)The first condition is—

(a)in a case where the information falls within any of paragraphs (a) to (d) of the definition of “data” in section 1(1) of the M1Data Protection Act 1998, that the disclosure of the information to a member of the public otherwise than under this Act would contravene—

(i)any of the data protection principles, or

(ii)section 10 of that Act (right to prevent processing likely to cause damage or distress)

It is therefore important that claims handlers do not provide any information, in response to an FOI request, which could be used to determine how much a claimant has been paid by the CA as part of a riot compensation claim, or other information regarding an individual claim. This includes broad information on a small number of claims, where the claims handler's view is that it will be possible to infer how much has been paid on the basis of other available information.

It may be that in the event of a riot, the processing of FOI requests will be handled centrally by the CA. Where this is the case, claims handlers should refer requests to the team which has been designated to handle them.

Where a claimant requests information held by the police regarding their claim, this will be a 'Subject Access Request' under GDPR Art 15, rather than the FOI Request. It is unlikely that the CA would withhold information relating to the claim, apart from and insofar as it relates to the investigation of a potentially fraudulent claim. As per FOI requests, it may be that handling of Subject Access Requests will be handled by a central team.

14. Handling media queries

→ 14.1 General approach

The Claims Authority (CA) will need to ensure that its approach to responding to media queries regarding claims under the Riot Claims Act 2016 (RCA) is well co-ordinated, both internally and with other Local Policing Bodies (LPB) affected by the riot event. Claims handlers will therefore need to refer queries to the appropriate team within short timescales, so that a response can be developed.

→ 14.2 Guidance from the Local Policing Body press department

Riot events are typically high profile and therefore attract significant media attention. Good management of media communication can help ensure that coverage is balanced and reflects a fair and proactive approach to claims handling.

The LPB's press department, possibly in conjunction with other LPBs and the Home Office, will issue guidelines around the handling of media queries. The procedure they issue should be adhered to and followed at all times.

Typically, all claims handlers, including those working for a Third Party Administrator, will be expected to not discuss any issue or case with external parties. This includes all forms of social media (see also Section 14.5 below).

→ 14.3 Referring media queries

If a claims handler receives a query from the media it should be immediately referred to the relevant press department (e.g. MPS Directorate of Media and Communication). Details of where to refer queries to will be provided as part of the LPB & Home Office guidelines.

Claims handlers will not be authorised to deliver external content to the media in any format without the sign off from the relevant press department.

If the situation arises where a claims handler is approached by the media outside of normal circumstances, the advice is to not make any comments and to refer all queries back to this team.

→ 14.4 Claims with potential media coverage

If a claims handler is presented with a claimant who is indicating that they will contact the press about the handling of their claim, the handler should handle the matter sensitively (as for other complaints) and determine what the issues are.

The next step for the handler will be to escalate the matter in the usual manner to their supervisor and ensure that the relevant LPB press department is notified.

→ 14.5 Social media

There is an opportunity to understand how the public are reacting to the handling of riot claims by analysing their activity on social media. It should be treated as a form of feedback and used as a reactive tool.

Police engagement on social media platforms such as Twitter and Facebook will be managed by the MPS Directorate of Media and Communication - other LPBs and Police and Crime Commissioners will use separate platforms. Once again, the aim is to ensure all communication of information is consistent, whatever the platform may be.

The CA should treat indications by claimants that they intend to publish issues around claims handling on social media in the same way as for press coverage (see above), and ensure that the relevant LPB press department is notified.

Glossary

Appeals – the process defined for claimants who wish to challenge a decision regarding their riot compensation claim.

Association of British Insurers (ABI) – the leading trade association for insurers and providers of long term savings.

Average condition – a contractual term which is typical in insurance contracts. It sets out the insurer's approach to claims where the level of cover is less than the true value at risk.

Authority Level – this is the level of authority within which a claims handler or third party administrator (TPA) can deal with a claim, and is usually set with reference to a maximum claim value. Where claims decisions fall outside the authority level, the claims handler / TPA will need to seek express authority from the Local Policing Body (LPB) before administering the decision.

Betterment – this occurs where the claimant is put in a better financial position than they were before the loss (e.g. repair or replacement of the damage results in better condition compared to the original damaged items).

Business premises - premises used for the purposes of a business (including mobile businesses, as per s3(2) of the Riot Compensation Regulations 2017).

Chartered Institute of Loss Adjusters (CILA) – the membership organisation for Loss Adjusters. CILA sets professional and ethical standards through its qualification framework and guide to professional conduct.

Claimant - both ordinary claimants and insurer claimants.

Claims Authority (CA) – the body responsible for handling claims under the Riot Compensation Act 2016 – this will generally be the appropriate Local Policing Body, the Riot Claims Bureau, or potentially a Loss Adjuster acting under delegated authority (the term CA was developed for this guide).

Complicit Behaviour – behaviour demonstrated that shows an awareness of a crime and a failure to stop it, or even participating in the criminal activity.

Complaints – any expression of dissatisfaction about the handling of a claim, communicated in writing.

Consequential Loss – financial loss arising from the result of being unable to use business property or equipment (not covered by the RCA 2016).

Criminal Injuries Compensation Authority (CICA) – compensation fund set up to support claimants seeking compensation for Personal Injury claims resulting from crime.

Delegated Authority – an arrangement that may be put in place to allow for the outsourcing of claims within set criteria to a Third Party Administrator (TPA).

Delegated Authority Agreement (DAA) – an arrangement put in place that will allow a Third Party Administrator (TPA) to have full or limited control of the handling of compensation claims.

Diminution – a loss in value of vehicle as a result of repair work due to riot damage. This is a form of consequential loss not covered by the RCA 2016.

Direct claimants – claims presented directly by the individual or business without any form of legal representation.

Electronic communication - communication through a computer or similar device, e.g. email, app or portal.

Financial Conduct Authority (FCA) – the conduct regulator for financial services firms operating in the UK.

First payment date - the date or, if there is more than one such date, the first date on which an Authority pays compensation in relation to a Section 1 claim.

Fraud – criminal offence of deception with intention to gain financially or cause a loss to another.

Insurance Conduct of Business Sourcebook (ICOBS) – FCA Handbook which outlines high-level standards applicable to the general insurance industry and aims to ensure customers are treated fairly.

Indemnity – the principle that the claimant should be put back in the same financial position as they were before the loss (compensation should be no greater and no less than the losses covered under the RCA). The following forms of compensation are used to uphold the indemnity principle:

- **Cash Settlement** – where repair or replacement isn't possible this may be used as an option to indemnify;
- **Repair** – common method for dealing with buildings and motor claims on the basis of agreed quotations for work to be undertaken;
- **Replacement** – common method for dealing with household goods claims where the property is either lost, stolen or damaged beyond economical repair; and
- **Reinstatement** – work needed to restore a property to the condition it was in immediately prior to the loss.

Insurance Fraud Enforcement Department (IFED) – the specialist police unit dedicated to tackling insurance fraud.

Insured Losses – losses incurred that will be covered by a riot victim's insurance policy.

Insurer claim - a claim made for reimbursement of insurance costs under Section 1(2) of the Act.

Insurer claimant - an insurance company making an insurer claim.

Interim Payments – an insurance industry practice for earlier or staged payment of claims. This should be adopted where the appropriate criteria is met in order to support individuals and businesses throughout the claims process.

Local Policing Body (LPB) – a policing body responsible for a set geographical area.

Loss Adjuster – a third party supplier with expertise in assessing and handling claims on behalf of insurance companies and other compensators.

Loss Assessor – independent claims specialist who may investigate claims and deal with an insurer or other compensator on behalf of the claimant.

Material Damage – the physical loss of, or damage to, property.

Maximum alternative accommodation period - the maximum amount of time that can be claimed for Temporary accommodation payments - 132 days. This starts on the day on which the ordinary claimant's home was, in the Authority's opinion, rendered uninhabitable.

Negligence – a legal cause of action under the law of tort (not applicable to RCA claims). Negligence occurs where a defendant's actions fall below the standards of a reasonable person, and cause harm to another party (i.e. harm caused by carelessness or recklessness).

New-for-Old – an old item that has been damaged replaced with a brand new item. This is an exception to the indemnity principle.

Ordinary claim - a claim made for uninsured or under insured riot compensation losses under Section 1(1) of the Riot Compensation Act.

Ordinary claimant - a person or business making an ordinary claim.

Public Order Act 1986 – the Act that provides the definition of “riot” which applies to claims under the Riot Compensation Act 2016.

Quantum – the amount of compensation the Claims Authority determines should be paid in a riot compensation claim.

Recovery – the right of a compensator, following payment of a claim, to ‘step into the shoes’ of the claimant, and pursue the third party that caused the loss for the amount paid to the claimant.

Representative - a person acting on behalf of an ordinary claimant.

Relevant benefit - for the purposes of assessing Temporary Accommodation payments, this means housing benefit payable under the Social Security Contributions and Benefits Act 1992 or universal credit payable under Part 1 of the Welfare Reform Act 2012.

Reserving – retention of a sum of money to cover the costs of riot compensation claims:

- **Claims reserves** - the process of estimating the exposure following a loss. It is the amount of money which should be set aside for the eventual payment of a claim.
- **Global reserves** – reserves held to cover the cost for all claims and are used to model future exposure to claims and associated costs.

Riot Compensation Claims – claims arising from a riot event that may be made by victims of rioting or insurers who have paid out for riot damages.

Riot Claims Bureau (RCB) – a body that can, in accordance with powers set out in the Riot Compensation Act 2016, be created by the Secretary of State to handle riot compensation claims.

Riot (Damages) Act 1886 (RDA) – the previous legal statute which formed the basis for police liability for riot compensation claims - the RDA was repealed and replaced by the Riot Compensation Act 2016 on 6 April 2017.

Riot Compensation Act 2016 (RCA) – the legal statute which forms the basis for police liability for riot compensation claims. The RCA replaced and repealed the Riot (Damages) Act 1886 on 6 April 2017.

Riot reference date - in relation to a riot, the date on which the riot ends and, for the purposes of this definition, a riot which occurs in any police area within 24 hours of the last riot (whether or not in the same area) shall be treated as part of the same riot. Riots occurring more than 24 hours after the previous riot incident will be subject to a separate riot reference date.

Section 1 claim - a claim for compensation under section 1(1) or (2) of the Act, i.e. claims made by people or businesses who are uninsured or underinsured. Also covers claims for re-imbursment made by an insurance company.

Strict Liability – liability which arises automatically and does not depend on actual negligence (i.e. the defendant's intention is not relevant).

Tenant - a person entitled in possession to the property under a contract of tenancy.

Total Loss – damage caused that is beyond economic repair.

Third Party Administrator – a supplier company who may be contracted to manage elements of the claim process.

Treating Riot Victims Fairly (TRVF) – one of the guiding principles developed for this best practice guide, based on the FCA principle on Fair Treatment of Customers, designed to aid effective and fair claims management.

Underinsurance – the value at risk is more than the sum insured or the limit of indemnity, and therefore cover is not sufficient to meet the full amount of the claim.

Uninsured Claimants – claimants who do not have cover in place for the loss incurred.

Uninsured Losses – losses that are not covered by an insurance policy.

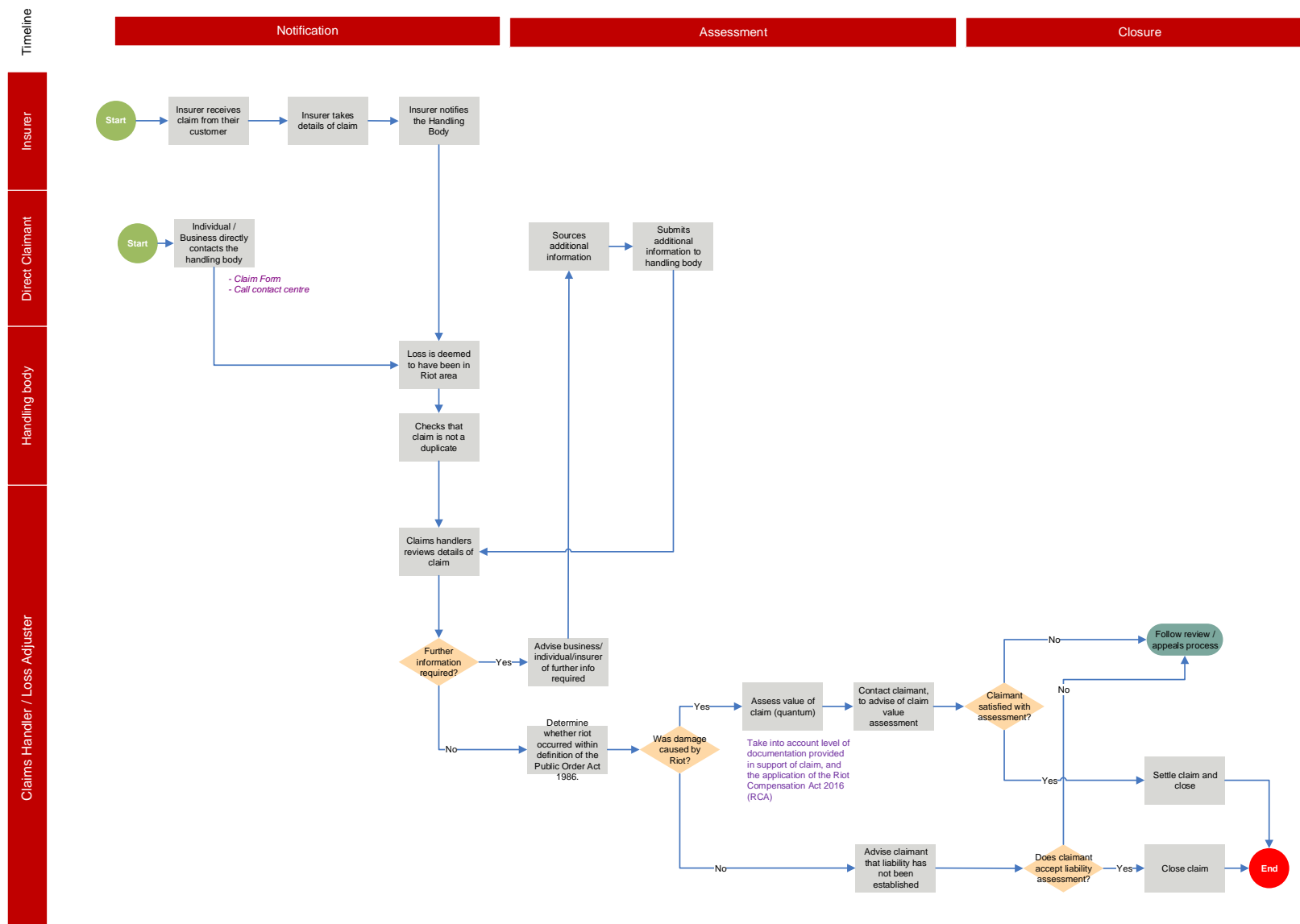
Upper Tier Tribunal (UTT) – the Tribunal that will hear the disputes relating to riot compensation claims once the complaint process has been exhausted as an option to obtain resolution.

Vulnerable Claimants – someone who, due to their personal circumstances, is susceptible to detriment, particularly when a body they are dealing with does not act with the appropriate levels of care.

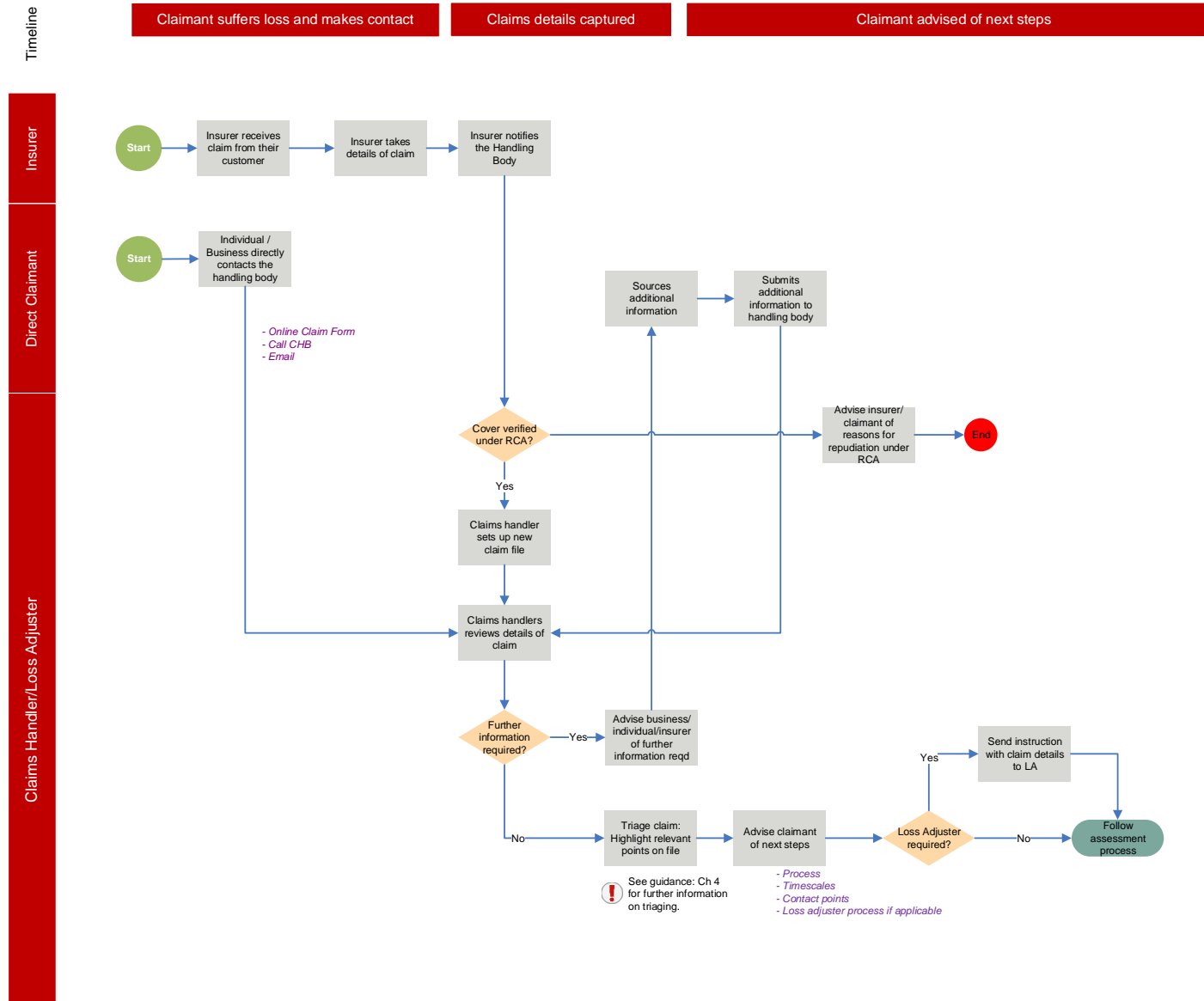
Useful links

- The Riot Compensation Act 2016:
<http://www.legislation.gov.uk/ukpga/2016/8/contents>
- The Riot Compensation Regulations:
<http://www.legislation.gov.uk/uksi/2017/371/contents/made>
- ABI guidance on choosing CMCs and loss assessors:
https://www.abi.org.uk/~/_media/Files/Documents/Consumer%20Guides/Home%20insurance%20and%20claims%20management%20companies.pdf

Process Map: Claims Process Overview



Process Map: Notification of Claim

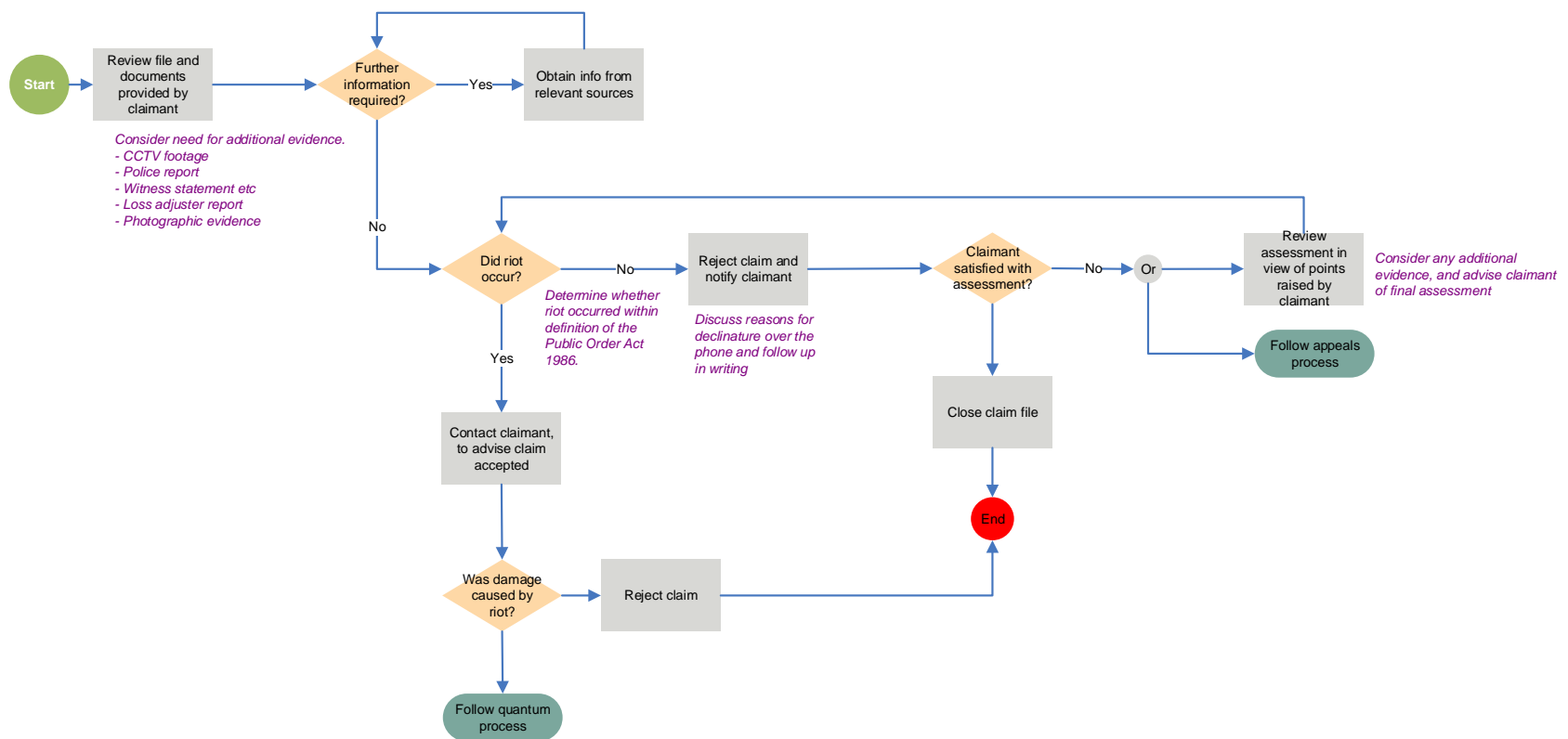


Process Map: Liability Assessment

Timeline



Claims Handler / Loss Adjuster

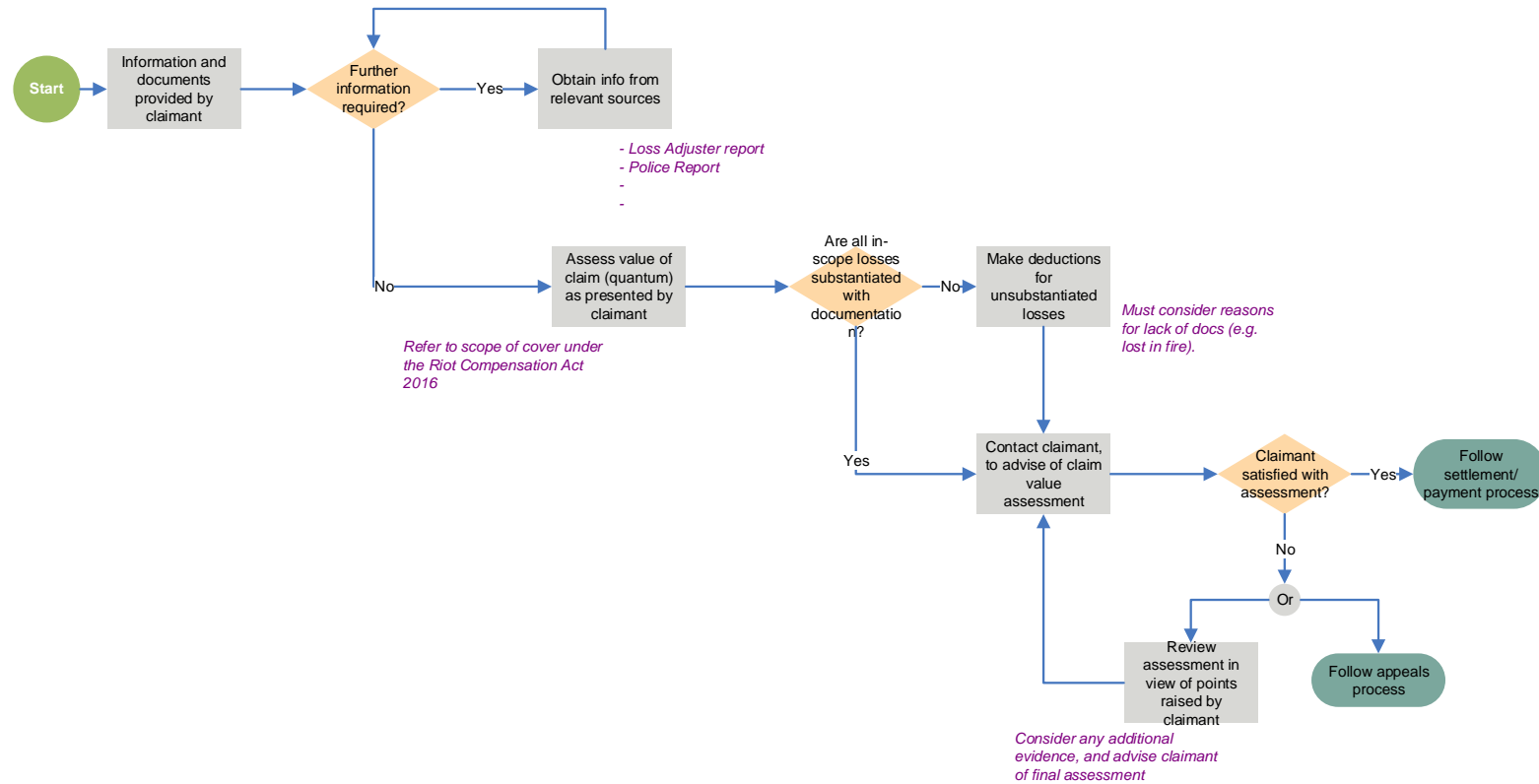


Process Map: Quantum Assessment

Timeline



Claims Handler / Loss Adjuster

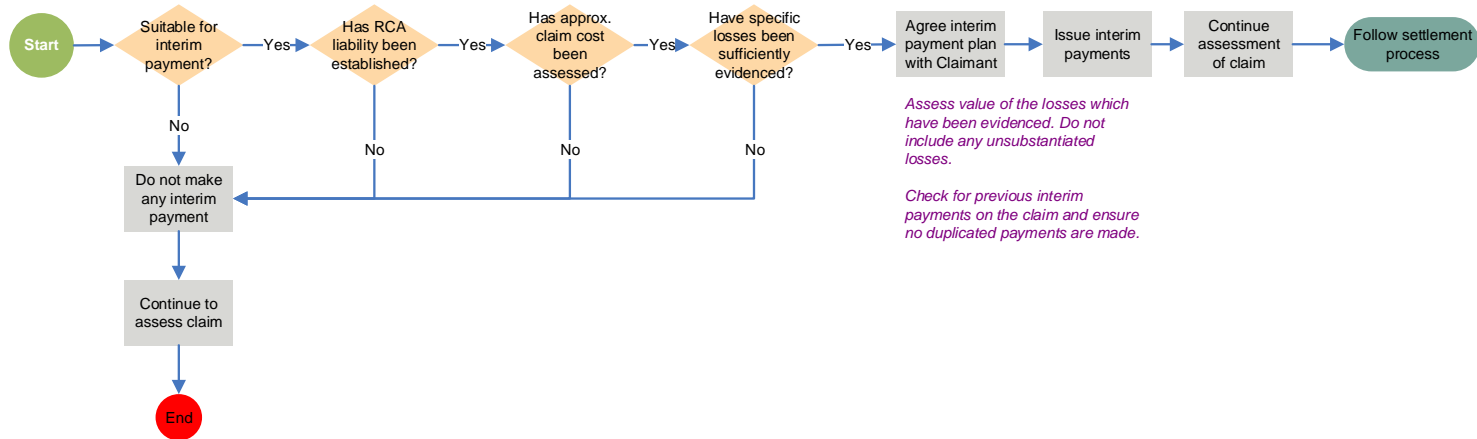


Process Map: Interim Payments

Timeline



Claims Handler / Loss Adjuster

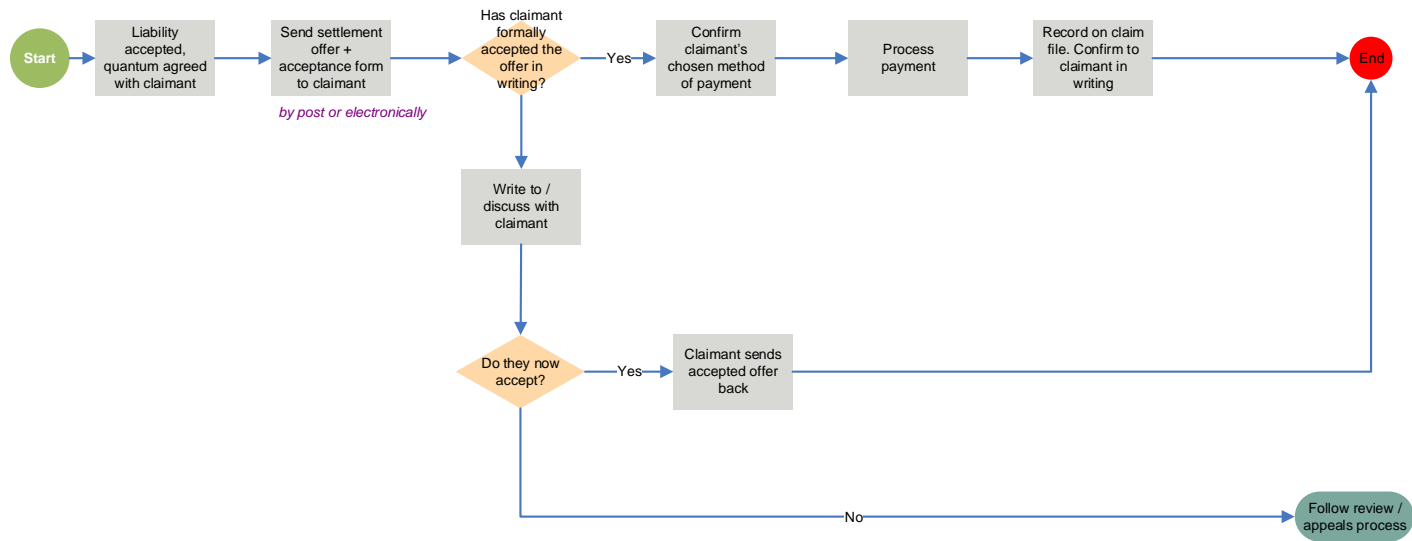


Process Map: Claim Settlement

Timeline

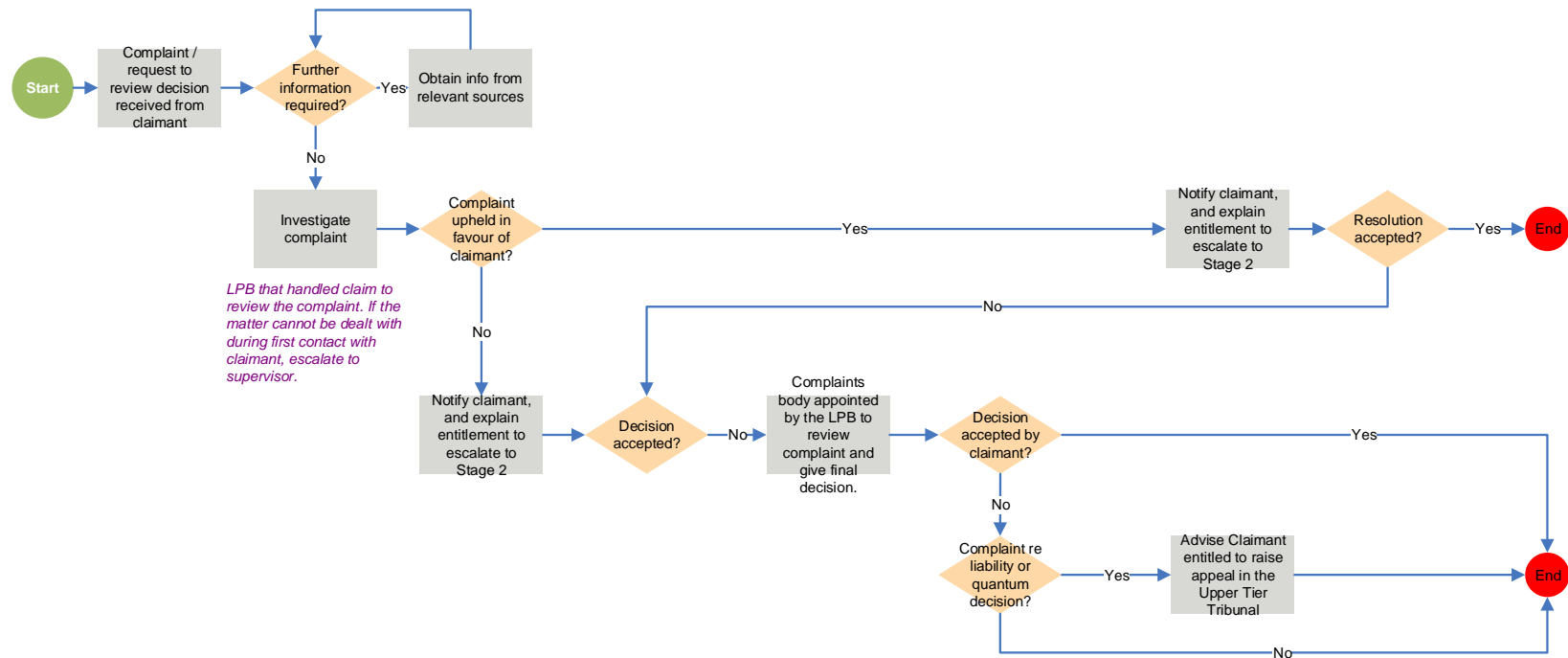


Claims Handler / Loss Adjuster



Process Map: Complaints / Appeals

Timeline



Claims Handler / Loss Adjuster