

Public Liability

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If a member of the public is injured or their property damaged while at your premises or as a result of your business activities, you could be sued for compensation. Public liability insurance protects your business against such claims.



Introduction

Public liability insurance safeguards your business against compensation claims if a customer or member of the public suffers an injury while at your business premises or as a result of your business activities or staff negligence. You may also be sued if you or one of your employees cause damage to someone else's property.

Public Liability Insurance

Public liability insurance covers the costs of defending personal injury or property damage claims. It also covers any compensation awarded by a court. In some cases, you could face prosecution for breaching health and safety legislation, which may lead to a fine. While defence costs are covered by a public liability insurance policy, fines are not.

It's not a legal requirement to have public liability insurance, but it's important to consider how your business would cope with an expensive claim if you don't have cover in place.

Safeguarding Your Business Against Claims

Slips and trips are the most common cause of injury to members of the public. Both can lead to serious injury, and the resulting compensation claims can be substantial.

When taking steps to minimise the risk of an accident, some simple questions to consider include:

- Is the access point to your premises well-lit and in good condition?
- Is the exterior lighting adequate, including in any car parks?
- Are access routes affected by adverse weather (e.g. slippery fallen leaves, rain, snow, etc.)?
- Are interior floors nonslip and in good condition?
- Are tripping hazards such as trailing cables routed away from walkways or suitably covered?
- Are there suitable procedures for dealing with a spillage or dropped container quickly, effectively, and efficiently?
- Are routine cleaning activities carried out and records kept?
- Are regular inspections of the premises undertaken to ensure controls remain effective?

A risk assessment can help you to identify potential issues. The risks will differ depending on your business activities and premises – so the assessment should reveal the specific risks you need to be aware of. For example, a retail outlet might have unstable displays that could be toppled by a child. If you display toys such as climbing frames, a child could climb on them and fall.

Employees' Actions

Vicarious liability is when you are legally liable for injury or damage caused by an employee. You must ensure that employees are trained, and that they can recognise risks and know what actions to take to prevent accidents.

For example, supermarket employees should be on the lookout for items that have fallen from the displays causing a trip hazard. They should also know what to do if a customer drops a jar or bottle causing a spillage that someone could slip on.



Work Away

Some businesses require employees to work outside of the premises, for example, carrying out installation work or making deliveries. In these circumstances damage to people's property could occur, e.g. to fixtures or fittings or from spills.

A public liability policy will generally provide cover to your organisation for claims of this type, although you may need to pay an excess on the policy. It's wise to ensure employees undertaking such work have the proper training and equipment to enable them to carry out their work correctly, with minimal risk of damage.

Using Contractors

From time to time it may be necessary to appoint contractors to carry out work on your property. Any use of contractors should be carefully planned, beginning with the selection of a competent contractor. It's essential that they hold adequate public liability insurance and that the work is planned to reduce any risk to your business, employees, and visitors.

Case Study

A rail passenger slipped on a petal in front of a flower stall on a station concourse, and successfully sued the franchise holder. The case was appealed, but damages were confirmed at £1.5m (Piccolo v Larkstock Ltd t/a Chiltern Flowers & Others).

Key Actions

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

Checklist

A generic public liability checklist is presented in Appendix 1 which you can tailor to your own organisation.

Specialist Partner Solutions

Aviva Risk Management Solutions can offer access to a wide range of risk management products and services at preferential rates via our network of Specialist Partners.

For more information please visit:

[Aviva Risk Management Solutions – Specialist Partners](#)

Sources and Useful Links

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

Additional information

Relevant Aviva Loss Prevention Standards include:

- Accident Recording and RIDDOR Reporting
- Claims Defensibility
- Prevention of Slips
- Prevention of Trips

To find out more, please visit [Aviva Risk Management Solutions](#) or speak to one of our advisors.

Email us at riskadvice@aviva.com or call 0345 366 6666*

*Calls may be recorded and/or monitored for our joint protection.

Appendix 1 – Public Liability Checklist



Location	
Date	
Completed by (name and signature)	

	Public Liability Checklist	Y/N	Comments
1.	Have you carried out a risk assessment covering your business activities?		
2.	Have you carried out a risk assessment on the hazards in any premises that you own or occupy?		
3.	Have you put procedures in place to provide suitable hazard-spotting training to all employees?		
4.	Is there a system in place for employees to report hazards?		
5.	Have you carried out task-specific training for employees?		
6.	Have you identified any employee who works away from the premises? Are controls in place to ensure your employees are competent and have the appropriate equipment to work away from the premises?		
7.	Do you have a procedure in place to assess the competency of a contractor before they start work at your premises?		
8.	Do you check that contractors coming onto site hold suitable and sufficient public liability insurance?		

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	Public Liability Checklist Contd.	Y/N	Comments
9.	Do you require the contractor to provide you with risk assessments and method statements?		
10.	Is a permit to work system used to control high risk activities, e.g. hot works, roof work, etc.		
11.	Are contractors on-site supervised?		
12.	Additional comments:		

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