

Loss Of Profit Policy

Yorkshire Water

March 2026



YorkshireWater

1. Purpose

This policy sets out Yorkshire Water's approach to managing **Loss of Profit Claims** submitted by business customers or retailers. These claims relate to situations where a business has suffered a **direct and substantial loss of profit** because of a Yorkshire Water service interruption or operational works carried out in the public highway.

The policy ensures that all claims are handled consistently, transparently, and in line with Schedule 12 of the Water Industry Act 1991. It covers the end-to-end process, evidence requirements, assessment criteria, decision-making, and escalation routes.

2. What's covered

Loss of Profit refers to the actual profit a business has lost, where the loss is:

- Directly caused by Yorkshire Water's interruption or street works
- Substantial (not minor inconvenience)
- Supported by clear financial evidence
- Limited strictly to the period of disruption

Examples of situations that may lead to a valid claim include:

- Customers unable to access the premises
- Temporary closure caused by Yorkshire Water's works
- Significant reduction in trade directly linked to the disruption
- Cancelled bookings or appointments due to the incident

3. What's not covered

The following are **not eligible** under Schedule 12:

- Loss of turnover or gross takings (i.e., reduction in sales income)
- Projected, estimated, or hypothetical earnings
- General inconvenience (e.g., traffic diversions, noise, reduced parking)
- Business downturn unrelated to Yorkshire Water's works

Access related clarification: We do not offer compensation where the only impact of our works is that customers need to follow a diversion or

cannot park directly outside the business, particularly where parking restrictions already exist.

4. Evidence Requirements

Customers must provide:

- Incident details and dates/times affected
- Evidence of disruption (e.g., photos of restricted access)
- Financial evidence showing actual profit for the affected period
- Comparison data for a similar period (e.g., previous year's accounts)
- Any supporting documentation showing the impact

Evidence must be complete before assessment begins.

5. Assessment process

Yorkshire Water will:

- Review the financial evidence alongside operational logs
- Validate that the loss is directly linked to our works
- Request clarification or additional evidence if needed
- Aim to issue a decision within **25 business days** of receiving full information

6. Decision and Payment

Yorkshire Water will write to the customer with the outcome.

If the claim is accepted:

- An offer will be made
- Payment will be arranged once the offer is accepted

If the claim is rejected:

- Clear reasons will be provided
- Next steps will be outlined

7. Escalation & Arbitration

If agreement cannot be reached, the matter may be referred to **independent arbitration** under Schedule 12, paragraph 1(3) of the Water Industry Act 1991.

Customers should be aware that arbitration may involve additional costs, including arbitrator fees and legal costs, and the arbitrator will decide who is responsible for these.

8. Version Control

Date	Version Number	Amendment made	Owner
Mar-26	1.0	Formatted added to this template and sign off received ready for publication	Risk and Compliance Analyst