

Hotel

Loss or Damage to Guests' Property – Are you liable?

Hotels failing to ensure the correct signage is in place can see huge claims for the loss of guests' property.

Hotel Proprietors Act 1956

Luxury hotels frequented by wealthy patrons can see guests arriving with property worth millions of pounds. What are the implications if this property goes missing and how can hotels manage this risk?

If you run a hotel, you are required by law to ensure the safekeeping of all reasonable items of guests' property.

The Hotel Proprietors Act 1956 states hoteliers are still strictly liable for the full value of the belongings (in the building itself) of their guest who have engaged in sleeping accommodation. However, the hotel can limit its liability to £50 for one item and £100 in the aggregate if and only if the Hotel displays the following Schedule Notice (exact wording from Section 2 of the Act). It is very important the Schedule Notice is 'conspicuously displayed' so that it can be read by guests at reception and in cases where there is no reception, at the entrance to the hotel.



Schedule Notice

The Schedule of Notice is as follows:

Loss of or Damage to Guests' Property

Under the Hotel Proprietors Act 1956, an hotel proprietor may in certain circumstances be liable to make good any loss of or damage to a guest's property even though it was not due to any fault of the proprietor or staff of the hotel.

This liability however—

- (a) extends only to the property of guests who have engaged sleeping accommodation at the hotel;
- (b) is limited to £50 for any one article and a total of £100 in the case of any one guest, except in the case of property which has been deposited, or offered for deposit, for safe custody;
- (c) does not cover motor-cars or other vehicles of any kind or any property left in them, or horses or other live animals.

This notice does not constitute an admission either that the Act applies to this hotel or that liability thereunder attaches to the proprietor of this hotel in any particular case.

Liabilities can vary from country to country

Section (c) of the Act does not apply to Scotland. NI has its own similar HPA as do other EU countries. Some countries will even go by a limit being 100 times the costs of the accommodation.

Liability limits are higher for hoteliers in London Boroughs: The London Local Authorities Act 2004 increases the Hotel Proprietors Act limitations to £750 for one item and £1500 in the aggregate.

The Hotel cannot seek to limit liability in any of the following situations:

- the Schedule Notice is not appropriately displayed;
- the hotel has been negligent/at fault (i.e. staff member has been implicated in the loss);
- the hotel has accepted custody of the guest's property (guests deposited their belongings with the hotel for safe keeping) or the hotel refuses to take custody of the guest belonging when asked.

Display of Signage

Limiting liability is only possible if the notice is displayed correctly. The act states the notice must be:

"conspicuously displayed in a place where it could conveniently be read by his guests at or near the reception office or desk or, where there is no reception office or desk, at or near the main entrance to the hotel"

Hotel receptions and lobby areas have changed substantially since the act was introduced in 1956 and with modern facades and decorative internal walls, positioning the notice in a conspicuous position whilst maintaining the aesthetics of a reception area can be a challenge. However, the notice must remain "prominent" for the legal opportunity to be maintained. Below are a few examples of placement:

- In a frame on the reception desk;
- Behind the reception desk wall mounted, in a prominent position for guests when checking in;
- On a stand as guests enter the reception area (i.e.: in lobby). This must consider the most prominent position;
- Where the reception is very wide, having 2 notices, one each end of large reception desk or
- Where reception comprises of individual "check in" desks, a notice should be displayed on each desk.

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9 Top Tips

Guidance to help safe keep guests' property:

1. Ensure that the wording of your Notice is exactly as that described in the Act
2. Display the notice in a prominent location that all guests can see upon arrival
3. Add the notice to the inspection regime so that any obstruction or movement of the notice can be identified and resolved
4. Provide a safe in guest rooms
5. Encourage guests to use safes by signage and alerting them at check-in
6. Train staff to help prevent theft
7. Refer to managers any requests for safe keeping
8. Ensure that the booking contract limits liability of high value items
9. Retain CCTV footage as part of an investigation to confirm that the notice was displayed.