



A VL real life **claim example**

Fidelity/ Crime

Theft of Recycled Goods

The Insured is a major fruit and vegetable wholesaler. Most of its product is sold in various forms of plastic bins and trays which are essentially a single use item. It actively encourages recycling and successfully recovers a very large proportion of the used bins and trays which it believed it was selling to a recycling company.

The Insured's employee who managed the recycling, successfully persuaded the recycler that he was an independent "go-between" and that the recycled plastic had been purchased by him from the Insured. He was thereby siphoning off the value of the product into his own account and electronically crediting the Insured's account for enough of the money to satisfy expectations.

The scam was operating for about three years and was discovered when the management of the recycling firm changed. The new owners decided that they could probably benefit by cutting out the middle man and approached the Insured with a view to gaining better terms by buying direct.

The loss was determined and the claim settled.

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