

<b>Policy Title</b>	Compensation Policy
<b>Department</b>	Resident Management
<b>Directorate</b>	Operations
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## VERSION CONTROL

Version	Date	Author	Reason for New Version
4	1 October 2021	Andrea OCallaghan	Scheduled Review
5	5 April 2023	Andrea Ocallaghan	Ad-hoc Review following introduction of Resident Compensation Panel.
6	1 August 2023	Andrea Ocallaghan	Ad-hoc Review following HOS determination

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## **1 PURPOSE**

- 1.1 This policy is intended to provide guidance on when payments of compensation will be made. It sets out our approach to compensation as part of our complaints process, goodwill gestures and payment of statutory based compensation.
- 1.2 We are committed to resolving customer complaints in a consistent, fair, impartial and transparent way. When we get things wrong, we will work to put things right and this may include paying compensation.

## **2 SCOPE**

- 2.1 Compensation can be obligatory or discretionary, and paid in recognition of loss or detriment to a complainant. Some compensation is set in a legal framework or through a contractual agreement such as a tenancy or lease agreement.
- 2.2 This Policy applies to all customers of One Housing Group, including tenants, leaseholders, shared owner or service users. It does not apply to members of the public that we do not have a contractual relationship with, claims for personal injury or sub-tenants of a leaseholder.

## **3 LEGISLATION, REGULATION, GUIDANCE AND BEST PRACTICE**

- 3.1 The Regulatory of Social Housing (RSH) Tenant Involvement and Empowerment Standard as set out in the Regulatory Framework states that registered providers shall:
  - Have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly.Compensation payments can be made as part of the complaints process.
- 3.2 Legalisation and guidance relating to the payment of compensation, includes:
  - Housing Ombudsman Service – Complaint Handling code
  - Housing Act 1985
  - Home Loss Payments (Prescribed Amounts) (England) Regulations
  - Right to Repair

## **4 INTRODUCTION**

- 4.1 There are two types of compensation; payments that we are obliged to make, generally due to legal requirements, and discretionary compensation. Compensation payments include those made for:
  - Home loss
  - Disturbance
  - Home Improvements
  - Right to Repair
  - Discretionary
- 4.2 Compensation should be paid in a manner that is fair and proportionate and represents value for money. It is not a replacement for home contents insurance and residents must insure their personal belongings against accidental damage, loss, fire or water damage.
- 4.3 Compensation payments can be made if there has been mismanagement, a delay in service, and/or additional costs have been incurred due to a service failure. This can include:
  - A temporary loss of heating, hot or mains water, or power within our control.

- A failure to meet our agreed service standards.
- We have not followed our complaints process.

4.4 We will not make compensation payments in a number of circumstances. This includes:

- The claim is made due to unforeseeable circumstances and/or caused by a 3rd party or was beyond our control, such as a water leak from a neighbouring property.
- Access has not been provided to allow work to be carried out.
- There has been a loss of supply of gas, electricity or water that was outside of our control.
- If the damage or loss should have been covered by home contents insurance.
- Possessions have been lost, stolen or damaged through no fault of One Housing.
- Decoration has been unavoidably or unintentionally damaged by improvement works, such as the installation of central heating.
- There is pending legal action.
- For loss of earnings.
- Claims for litigation and/or negligence which will be dealt with through One Housing's insurers.
- For personal injury as any such claim should be made via a personal injury claim and not as compensation.
- Damage has been caused by unforeseen failures in the structure of a building. Such damage could be claimed against building insurance and not through a compensation claim.
- When the loss or damage has been caused by a resident, household member or visitor, including failing to report a repair promptly or keep an appointment.
- Damage caused by condensation due a failure to follow our advice on taking reasonable steps to resolve damp issues.
- Service failure or damage is the result of extreme or unforeseen conditions such as the weather or government restrictions constraining the repairs service.

## **5 LEADERSHIP, ROLES AND RESPONSIBILITY**

### **5.1 Leadership and commitment**

The Director of Customer Experience and the Director of Property Services are committed to support the delivery of this policy through, people, systems, changes in regulation and the sufficient allocation of resources.

### **5.2 Organisational Roles and Responsibilities**

- 5.1 Responsibility for the day-to-day operational management of the service lies with the Assistant Director Customer Experience, supported by the Head of Service Transformation & Complaints.
- 5.2 All customer facing teams have joint responsibility for the delivery of a consistent and fair approach to managing complaints and the payment of compensation.
- 5.3 This Policy will be implemented in accordance with One Housing's Equality and Diversity Statement.

## **6 OPERATION**

### **6.1 Statutory and Contractual Compensation**

#### **6.1.1 Home loss**

Home loss payments may be made to secure or assured tenants who have lived in their home for a minimum of 12 months and are required to move permanently as a result of redevelopment or demolition of their home.

Home loss payments are reviewed annually by the government and each regeneration scheme will have a specific strategy which will include Home loss payments.

#### 6.1.2 Disturbance

Disturbance payments may be made to households who are required to move to another property either temporarily or permanently. This is a payment made for reasonable moving costs and will be managed through the Decant Procedures.

#### 6.1.3 Home Improvements

Assured or secure tenants may claim compensation for improvements they have carried out to their homes when they are leaving. Prior permission must have been obtained for a 'qualifying' improvement and residents can claim for the cost of materials and labour costs. Claims under £50 will not be considered and the maximum amount payable is £3,000.

Compensation is worked out based on the notional life of the improvement, divided by the cost of the improvement, minus the number of years left. Eg. Improvement costs £2,000 and notional life is 20 years, and the resident is moving out after 5 years.  $\text{£2,000} / 20 \text{ years} = \text{£100 per year}$ ;  $\text{£2,000 cost} - \text{£500} = \text{£1,500 compensation}$ .

Claims for compensation for improvements must be made in writing between 28 days before the end of the tenancy or up to 14 days after the tenancy has ended. Please note you will not be eligible for compensation for home improvements if you move out by way of mutual exchange. Original receipts or proof of financial transactions must be produced, and the improvement must still be in good condition and full working order.

Any sum payable will be offset against any outstanding rent arrears or sundry debts before payment. Payments can also be adjusted if undue wear and tear has been incurred or any other defects to the improvement exist at the end of the tenancy.

Qualifying improvements and their notional life are as follows:

Qualifying Home Improvement	Notional life
Thermostatic radiator valves.	7 years
Draft proofing of external doors and windows.	8 years
Kitchen sink. Cupboards in Bathroom or Kitchen. Work surfaces for food preparation. Insulation of pipes, water tank or cylinder. Security improvements, excluding burglar alarms.	10 years
Bath or shower base. Wash-hand basin. Toilet. Central Heating.	12 years
Rewiring. Provision of power and lighting or other electrical fittings.	15 years
Loft and/or cavity wall insulation. Double glazing or other external window replacement of secondary glazing.	20 years

#### 6.1.4 Right to Repair

This scheme covers 'qualifying repairs', which cost less than £250 and should be One Housing responsibility and completed within a set time limit. Failure to complete them within the time may result in a compensation payment.

These repairs should be completed in 1 day:

- Loss of electric, gas or water (unless due to utility company or planned maintenance).
- Gas leak or potentially hazardous electrical fault.
- Loss of heating or hot water (between 1 October and 30 April).

- Leak from water or heating pipe, tank or cistern
- Insecure external door or window (not including communal).
- Blocked flue to open fire or boiler.
- Making a property secure.

These repairs should be completed in 28 days:

- Faulty electrical equipment posing no danger.
- Minor repairs to joinery.
- Non-emergency faults to bathroom sink or toilet.

Compensation is payable at £10, plus £2 for each day the repair is overdue, up to a maximum of £50. In some cases, we may exceed the maximum set out under the right to repair scheme.

In addition to the Right to Repair we will make the following payments to social housing tenants:

Reason for compensation	Amount payable
Total loss of heating	£3 per full day between Oct & Apr
Loss of hot water	£3 per full day
Total loss of mains water, where it is One Housing's responsibility	£5 per full day
Total loss of power, where it is One Housing's responsibility	£5 per full day
Cost of additional electricity whilst using a de-humidifier	£3 per full day
Cost of food while cooking facilities are unavailable	£8 per person
Discretionary decorating allowance	Up to £25 per room
Missed arranged appointment	£10 per appointment

### Loss of services

Residents who pay service charges for services such as grounds maintenance and cleaning and that service has not been provided for a continuous period of more than one week after it was last due will be entitled to a refund of the cost of the service as set out in the service charge schedule.

### Loss of Room / Facility

When parts of a property are rendered unusable due to repairs and maintenance, a percentage of the rent will be refunded. Such payments will only be made for rented accommodation and will not be made to homeowners. The usability and habitability will be defined by a Building Surveyor and the cause of the works or inhabitability must not have been as a result of the residents actions.

Room / Facility	% of Rent to be refunded
Hallway (not communal)	5%
Kitchen / cooking	25%
Living Room (where there is only one in property)	30%
Bath / shower (where there is only one in property)	10%
Toilet / WC (where there is only one toilet in property)	20%

Bedrooms (occupied)	
• 1 bedroom property	30%
• 2 bedroom property, per bedroom	15%
• 3 bedroom property, per bedroom	10%
• 4 bedroom property, per bedroom	8%
• 5 plus bedroom property, per bedroom	6%

## 6.2 Discretionary Compensation

6.2.1 This policy provides guidance on when discretionary compensation will be offered. This includes gestures of goodwill. Discretionary compensation will normally only be paid where there has been:

- Actual, proven financial loss sustained as a direct result of a service failure or mismanagement and/or
- Avoidable inconvenience, distress, detriment or other unfair impact of the service failure or mismanagement

6.2.2 All compensation payments must be appropriate and proportionate. A Manager or Head of Service may agree compensation up to £500. Any payments exceeding this amount must be authorised by the appropriate Director or Assistant Director.

Discretionary compensation can include payment for:

- Damage to property or decorations as a result of negligence by an employee or contractor.
- Unacceptable delays in providing services which have resulted in serious distress or inconvenience.
- Unacceptable responses to upheld or partially upheld complaints which have caused distress or dissatisfaction due to poor complaint handling.
- Additional costs incurred as a result of a failure in service.

6.2.3 The amount paid will depend on the impact to the person making the complaint.

**Low impact – £50 - £200:** Complaint has been upheld and there has been minor inconvenience or distress caused. Impact has been no more than a reasonable person could be expected to accept and the compensation is a token in acknowledgement of our responsibility. This could include repeated failure to reply to communication from the complainant, or failure to meet service standards but the failure had no significant impact..

**Medium impact - £200 - £500:** Inconvenience and/or distress has clearly been caused as a result of a failure in service. Failure to follow the Complaints Policy, to investigate the complaint or poor handling of the complaint. A repeated failure of a low impact event could result in the impact being increased to a medium impact. This could include the complainant repeatedly passed between staff and/or teams with no-one taking overall responsibility or significant failures to follow procedures but with no permanent impact on the complainant.

**High impact – £500 - £1000:** A serious failure in service has taken place. This could either be due to the severity of the event or a persistent failure has occurred over a prolonged period of time or an unacceptable number of attempts to resolve the complaint. This could include long stay in temporary accommodation due to mishandling of repairs or failure to make reasonable adjustments.

Payments may be calculated outside this guidance to provide the right level of redress in relation to the details and complexities of the complaint.



Payments should take into account the level of stress, anxiety, frustration, uncertainty and inconvenience caused. This will include the severity, length of time, number of people affected and their individual circumstances.

Requests for compensation should clearly include the following details:

- Whether the compensation is being made as a result of loss, damage, distress and/or inconvenience.
  - Why the compensation is being paid in relation to One Housing and/or the resident's level of responsibility.
  - The action the customer has taken to try and resolve the issue and any lack of action by One Housing.
  - Any specific needs the household has that may have been made worse by the issue.
  - How the amount of compensation has been reached.
- 6.2.4 We reserve the right to use discretion when applying this policy and may deal with a complaint differently depending on the individual circumstances of the household. In such circumstances any discretion will be applied fairly and appropriately. Only one claim can be made per household.
- 6.2.5 If there has been an actual, evidenced financial loss incurred as a direct result of our mismanagement or service failure we will consider the specific circumstances when considering a payment of compensation.
- 6.2.6 Compensation for distress and inconvenience will be used to offset any arrears. Out of pocket payments will be made regardless of arrears. Payments will be made by BACS whenever possible or credited to accounts.
- 6.2.7 Offers of compensation will remain valid for 3 months, after which it will be classed as being rejected. If a customer is unhappy with an offer of compensation made as part of a complaint the amount will be reviewed as part of the complaints process.
- 6.2.8 If an offer amount of discretionary compensation awarded is challenged and there are no other queries relating to the issue the compensation was awarded for, we can ask our Compensation Panel to review the amount offered. The Panel are made up of resident from our Resident Panels and can recommend that the amount is increased or reduced, or that they agree with the amount being offered. We will, unless there are exceptional circumstances accept the decision of the Panel.
- 6.2.9 Vouchers or flowers up to the value of £50 may be sent instead of an offer of financial payment. Such offers can be made by all One Housing staff.

## **7 RISK MANAGEMENT**

### **7.1 Actions to address risks and opportunities.**

- 7.1.1 The issue of statutory compensation must be made in line with the relevant legal or regulatory framework.
- 7.1.2 All discretionary compensation payments should be made within the terms of this policy.

## **8 SUPPORT**

### **8.1 Resources**

- 8.1.1 This policy will be co-ordinated by the Corporate Complaints Team.

### **8.2 Competence and Training**

- 8.2.1 All staff must be adequately trained and have knowledge of the Housing Ombudsman's Complaint Handling Code.

**8.3 Awareness and Communication**

8.3.1 The policy will be available to all staff and externally on request.

**8.4 Data Protection**

8.4.1 All staff must be sufficient trained to ensure the requirements set out in the GDPR are met.

**8.5 Documented Information, Records Management**

8.5.1 Compensation payments and complaint information is recorded:

**9 MONITORING**

9.1 The payment of compensation is monitored and reported by:

- The total amount of compensation paid
- The number of payments awarded by the Housing Ombudsman

9.3 The payment of compensation will also be monitored through the Complaints Policy in line with complaint resolution.

**10 BREACHES OF THIS POLICY**

10.1 Any compensation payment not within the remit of this policy must be authorised by an Assistant Director or Director.

**11 CONTINUOUS IMPROVEMENT**

11.1 The payment of compensation and complaint handling will be monitored for service improvements through the Customer Feedback Framework.

**12 REVIEW**

11.1 The Compensation Policy will be reviewed every 3 years or earlier in response to regulatory or legislative changes.