



# Compensation Policy

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<b>Policy Owner:</b>	<b>Head of Relationships</b>	<b>Policy Reviewer:</b>	<b>Knowledge &amp; Feedback Manager</b>



## 1. Purpose

- 1.1 This policy sets out our approach to providing compensation to tenants, and where appropriate leaseholders or other customers of Red Kite Community Housing, in different circumstances, in a fair, consistent and proportionate way.
- 1.2 This policy does not cover any issues raised with us through the courts or legal representation, nor does it apply when a claim through insurance has been made.

## 2. Definitions

- 2.1 In this policy, compensation is defined as suitable recompense, including money or a gesture which may be provided by us when something goes wrong for a customer, or when a customer is inconvenienced as a direct result of our action or inaction.
- 2.2 Compensation can take the form of either **statutory** or **goodwill**. These two forms of compensation are not mutually exclusive and may be used in combination as appropriate.
- 2.3 **Statutory** compensation is where there is a legal, or other external requirement to compensate.
- 2.4 **Goodwill** compensation is discretionary and may be given where we decide that a level of service, action or inaction is not in line with our service standards. This covers issues where we have financially disadvantaged a customer.

## 3. Responsibilities

- 3.1 It is the responsibility of every member of staff to ensure that any claim for compensation is dealt with quickly, effectively and in line with this policy.
- 3.2 Any person making a claim for compensation must provide honest and accurate information in relation to their claim, and must be willing to provide supporting evidence if required.
- 3.3 It is the responsibility of our customers to have home contents insurance and to claim on this insurance when it is deemed appropriate to do so. This policy is not intended to replace, or compensate for the lack of such insurance.
- 3.4 The Head of Relationships, or alternative Head of Service in their absence, has ultimate responsibility for authorising compensation requests. All requests will be scrutinised prior to any payment being authorised to ensure they are appropriate.



#### **4. Legal Framework**

4.1 The main pieces of legislation are as follows:

- The Land Compensation Act 1973 (as amended by the Planning and Compensation Act 1991)
- Right to Repair provisions contained within section 121 of the Leasehold Reform, Housing and Urban Development Act 1993
- Right to Compensation for Improvements contained within part 1 of the Landlord and Tenant Act 1972
- The Housing Act 1985 and 1988 as amended
- The Home Loss Payment (Prescribed Amounts) (England) Regulations

#### **5. Key Principles**

5.1 Claims for compensation will be dealt with efficiently and sympathetically.

5.2 We will ensure this policy is in line with available good practice, regulatory and legislative requirements and we will comply with any statutory obligation to pay compensation.

5.3 This policy will be reviewed at least every 3 years unless otherwise required, i.e. due to regulatory or legislative change, or as an outcome of learning which has a material effect on this policy.

#### **6 Policy Statement**

6.1 We are committed to providing high quality housing and excellent services for all of our tenants, leaseholders and local communities. We take pride in our work and we operate in a fair and open manner to build trust and mutual respect. However, sometimes things may go wrong and customers may suffer inconvenience or loss as a result. When we fail to meet the standards we have set out or that we are legally obligated to meet, compensation may be offered.

6.2 Each claim for compensation will be considered on an individual basis, taking into account all relevant known circumstances and supporting evidence or documentation supplied. Where evidence is requested and is not supplied, claims may not be considered.

6.3 Compensation will be offset against arrears, service charges or other debts owed to us unless reimbursement is being made for loss and damage or costs reasonably incurred, where it will take the form of a financial payment to allow for the financial disadvantage of the individual to be corrected.



- 6.4 We will not pay compensation for:
- service failure and right to repair where reasonable access has not been given to carry out our services; tenants and leaseholders are expected to provide up to date contact details to enable us to arrange access to carry out work, and to keep appointments made
  - loss that is due to negligence by the tenant, that is deemed to be the fault of a third party, or is beyond our control
  - insurance claims relating to financial loss, damage to third party property or personal injury, as a result of our negligence, which will be dealt with in accordance with the insurance procedures
  - cases where there is tribunal or legal proceedings under way
- 6.5 Our Compensation Procedure defines the formulas and thresholds used to make compensation payments.
- 6.6 Statutory compensation may take several different forms, including:
- 6.6.1 **Home Improvements** – Secure and assured tenants may be entitled to claim recompense if they have carried out qualifying improvement work to their home after 1 April 1994 with expressed written permission. The improvement(s) may be subject to an inspection to ensure it has not deteriorated beyond reasonable wear and tear. Claims can be submitted no sooner than 28 days before, or 14 days after the tenancy comes to an end. A full list of qualifying improvements and timeframes for making a claim is set out in within our Compensation Procedure.
- 6.6.2 **Right to Repair** – We operate the *Right to Repair* Scheme which gives tenants the legal right to have certain, urgent, repairs completed within prescribed timescales. When these timeframes are not adhered to, a tenant may pursue a disrepair claim against us which could lead to compensation being paid if proven. The compensation is fixed by the legislation at an initial sum of £10, plus £2 for every day thereafter that the repair is not completed, up to a limit of £50. A full list of qualifying repairs is set out in within our Compensation Procedure.
- 6.6.3 **Home Loss** – May be paid when an assured tenant or leaseholder has to move permanently from their home to make way for demolition and/or development. This a flat rate payment, as set by Government, and will only be paid where the resident has been residing in the home for a minimum of 12 months. Payment will be divided equally between named tenants where applicable. The terms for making a home loss payment is set out in our Decant Policy.



- 6.6.4 **Disturbance** – May be paid to compensate tenants and leaseholders to cover reasonable costs involved in moving to another property temporarily or permanently due to major repairs or demolition. This is paid in addition to a home loss payment for a permanent move and will also include the reasonable loss caused by the disturbance to any authorised business or trade on the premises. Such payments will be assessed on an individual basis in line with our Decant Policy.
- 6.7 Goodwill compensation is discretionary and will be assessed on a case by case basis using the guidelines set out in the Compensation Procedure. Payments may not exceed the thresholds set out in the Compensation Procedure without the authorisation of a member of the Senior Management Team.
- 6.8 Goodwill compensation may also take several forms, including:
- 6.8.1 **Service Failure** – Customers are encouraged to use our Feedback Policy to report incidents where they are unhappy with the service that they have received. In such cases offering a small amount of compensation may be appropriate to recognise any inconvenience caused.
- 6.8.2 **Loss of Amenities or Rooms** – If we are unable to complete a responsive repair within the set response times, in accordance with the schedule of rates in operation at the time, the tenant may have to cope without the use of amenities and/or rooms. In such cases, compensation may be awarded and will be calculated on the amount of out of use rooms and the amount of rent payable.
- 6.8.3 **Service Charge Service Failure** – This applies to tenants who pay for services in addition to their rent. Compensation may be paid if such services are not carried out or the service undertaken does not meet the agreed standards.
- 6.8.4 **Stress, Upset and Inconvenience** – We may decide that through our actions or inaction, we have caused a customer to experience stress, upset or inconvenience and as such may look to compensate them for this. We do not compensate for loss of earnings, but may consider for example that if a customer had to take time off work, that this was an inconvenience.
- 6.8.5 **Loss and Damage** – We may, at our discretion, issue compensation to customers as a result of decorations, furniture or personal items being damaged due to neglect by a member of staff or a contractor acting on our behalf, where it can be reasonably proven. Where possible, compensation be



issued in the form of a voucher, taking into account the value of the goods at the time of the loss and/or damage rather than the full replacement value.

6.8.6 **Goodwill Gestures** – We reserve the right to choose, sometimes even without acceptance of fault, to offer a gesture of goodwill. This can take the form of a physical, token or financial gesture. Such gestures of goodwill will be considered on a case by case basis, but should not normally constitute more than a value of £25.

6.8.7 **Costs Reasonably Incurred** - Some additional costs incurred by a customer in making a complaint may be reimbursed to them in full or in part. Examples include excessive electricity used by workmen, excessive telephone calls, and independent reports.

## **6.9 Accessibility and Confidentiality**

6.9.1 Claims for compensation can be made to anyone in the organisation through any supported channel. The Compensation Procedure should be used to guide staff through the process of capturing compensation claims to ensure they are dealt with quickly and efficiently.

6.9.2 Claims for compensation may be passed to us on behalf of a customer by another person acting on their authority, although personal data will not be disclosed to any third party without prior written agreement. We may choose to make contact with the customer to confirm authenticity of the claim.

6.9.3 In cases where English is not a customer's first or preferred language, we will make every effort to offer limited translation services to make the experience easier. However customers may need to pay for their own interpreter if the solution offered is not adequate or they do not have a friend or family member to assist them.

6.9.4 Where a customer has a communication difficulty such as visual impairment, hard of hearing or poor literacy skills, we will work with that customer to find the best way of communicating with them.

6.9.5 We will keep all information about compensation claims confidential. We will not pass any information about an individual's claim to another person or organisation without first seeking consent, unless the claim relates to the action/inaction of one of our contractors, and there is a contractual obligation them to compensation the customer directly.



## **6.10 Reporting**

6.10.1 Where appropriate, compensation payment data will form part of our complaints benchmarking submission in order to compare our performance against others.

6.10.2 Reviews of compensation paid will be conducted at least annually to ensure that this policy is being adhered to, and that we are actively working to learn from cases where compensation has been paid to reduce such situations occurring again.

6.10.3 We will include trends and lessons to be learnt from compensation paid, where they exist, within our monthly feedback reporting.

## **7 References**

- 7.1 The Homes and Communities Agency's Regulatory Framework sets out the expectations and obligations of housing associations. The standards relate to associations being viable, properly governed and properly managed.
- 7.2 The Housing Ombudsman can enforce penalties for poor administration of our procedures or financial disadvantage/or loss suffered by the claimant and therefore we must ensure we apply this policy consistently and effectively.

## **8 Related Policies & Procedures**

- Compensation Procedure
- Feedback Policy and Procedure
- Unacceptable Behaviour Procedure
- Relationship Strategy
- Home Decant Policy