

Compensation Policy

INFORMATION

Policy Name	Compensation Policy
Effective Date(s)	November 2021 – November 2023
Approved By	Risk and Compliance Group; Customer Services Committee
Approval Date	November 2021
Policy Owner/Dept	Director of Housing & Customer Service
Policy Author	Head of Customer Service
Review Date	November 2023
Version Number	V2

Version Control

Version	Date	Changes
2	Nov 2021	<ul style="list-style-type: none"> • Clearer language, terminology and definitions updated within the document • Tone and language updated in accordance Customer Connect framework • Removal of outdated commentary and/or process reference

Your Housing Group Strategic Priorities			
Safe	<input type="checkbox"/>	Viability	<input checked="" type="checkbox"/>
Landlord	<input checked="" type="checkbox"/>	Growth	<input type="checkbox"/>
People	<input type="checkbox"/>	Technology	<input type="checkbox"/>

Relevant National Standards or Regulation	Please State if the Policy aligns to any of the Regulators Standards: <ul style="list-style-type: none"> • Governance and Financial Viability Standard • Home Standard • Tenancy Standard • Tenant Involvement and Empowerment Standard
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Relevant Legislation	Please list any legislation applicable to the Policy; (e.g. Welfare Reform and Work Act; Equality Act 2010 etc.) <ul style="list-style-type: none"> • Planning and Compensation Act 1991 • The Home Loss Payment (Prescribed Amounts) (England) Regulations • Housing Act 1985 • The Leasehold Reform, Housing and Urban Development Act 1993
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1. Purpose of the Policy

Your Housing Group (YHG) is committed to consistently provide an excellent service to all our customers. However, we recognise that there are times when our service fails to meet the high standards we have set. If we fail to meet our own service standards or provide a poor service, we aim to put things right. At times this may involve paying compensation.

The aim of this policy is to assist staff in ensuring that a standardised approach is taken in considering compensation requests, fairly, consistently and impartially, by balancing the needs of the individual with a recognition that all compensation paid is funded from public money, in particular rent and service charges from all residents.

2. Scope of the Policy

The policy covers all of Your Housing Group’s customers - including tenants, leaseholders and Right to Buy freeholders. In exceptional circumstances, it may also apply to non-customers, subject to Director’s discretion.

This policy applies to all staff. Any member of staff responsible for managing a service must ensure they are familiar with this policy.

3. Definitions

STATUTORY OBLIGATION - Payment of a sum of money in recognition of loss or detriment to a complainant.

DISCRETIONARY COMPENSATION – A payment made to maintain good relations between YHG and a customer where inconvenience has been caused by YHG, rather than because of any obligation to do so.

4. Consultation

This policy has been reviewed internally by key YHG Stakeholders including the Complaints Team and other Complaints Handlers and Owners. Consultation for this policy has taken place with a customer focus group/Customer Connect Panel; Equality Impact Assessors Group, Risk and Compliance Group, and Customer Services Committee.

5. Background and Context

This policy has been developed to comply with the Housing Ombudsman Service and their statutory requirements, rules and guidance, legislation issued by Government departments, as well as YHG internal policies and procedures, and housing sector best practice.

6. Policy Detail

Compensation may be considered at any stage in the YHG complaints process. The complaints policy promotes resolution of the situation as rapidly as possible. All compensation payments will be made in-line with the compensation amounts as detailed in the Compensation Amounts Procedure – Staff Guidance.

There are two types of compensation, as determined by the Housing Ombudsman these are Compensation Required by Law and Discretionary Compensation:

6.1 STATUTORY OBLIGATION:

There are circumstances which compensation is payable by landlord as part of Statutory obligations such as Home Loss/ Disturbance Payments and Right to Improvements. These are dealt with on a case by case basis by the appropriate team.

6.2 DISCRETIONARY COMPENSATION:

The level of compensation will be proportionate with the level of time, trouble and inconvenience, due to Your Housing Groups' action or inaction. Discretionary compensation will be determined and assessed for the service delivery in which the complaint has been received. These should be issued in accordance with the amounts detailed in the Compensation Amounts Procedure – Staff Guidance.

If we fail to meet our publishes service standards (where available), our staff are empowered to put things right. Non-financial remedies are usually appropriate in the first incidence and we will not offer compensation in every instance. Compensation and / or goodwill gestures may be appropriate to cover loss, inconvenience or to demonstrate Your Housing Groups' apologies. Compensation will be proportionate, and all factors will be taken into consideration, such as household vulnerabilities.

6.3 OUR METHODS OF COMPENSATION

- Apologising.
- Rectifying our mistakes.
- Additional Service in kind, this is a service above our normal service offer to support the customer, i.e. decorate a room, fit cooker etc.
- Making a financial offer of compensation in accordance with our policies and procedures, by rent credit or BACs payment.

6.4 HOW WE DETERMINE THE COMPENSATION AMOUNT

- The amount of compensation will depend upon what the claim relates to and the type of claim being made.
 - 1) **STATUTORY OBLIGATION.**
 - 2) **DISCRETIONARY COMPENSATION.**

6.4.1 Factors we may consider when deciding the overall amount of discretionary compensation include: *(this list is not exhaustive)*

- Failure to comply with Service Standards, such as delay with repairs
- Time, trouble and inconvenience due to Your Housing Group's action or inaction
- Loss of facilities, including rooms, where this issue has not been resolved with service standards
- Damaged or loss of belongings due to Your Housing Group's action, inaction or that of its 3rd party contractors. Damaged items should be reported immediately.
- Additional costs incurred due to Your Housing Groups action or inaction
- Delay or poor responses to customers' complaints

6.4.2 There are circumstances when compensation will not normally be considered. These are when it is/relates to:

- The fault of a third party (e.g. utility supplier).
- Covered by customers' own home contents insurance (as outlined in their tenancy agreement).
- A situation which has been caused by the complainant (e.g. neglect/lack of action or wilful damage).
- Subject to tribunal or legal proceedings, (for example, where there is a Possession Order, or Suspended Possession Order against the complainant).
- Due to circumstances beyond our control e.g. severe weather.
- Requests for repair or replacement of fixtures/fittings which are not our responsibility.
- When contractors cannot get into a complainant's home, despite having made and kept to an agreed appointment.
- When a complainant has been advised of extra works required and has been kept informed.
- Due to advanced warnings about loss of service or fault, where we complete the work within specified timescales.
- If a complainant chooses to instruct a solicitor or seek legal advice, they will be responsible for the costs incurred in doing so and will not be able to recover legal costs as part of any compensation. These requests will be dealt with by Your Housing Groups' Disrepair Team.

- Where a customer has unreasonably prevented or delayed resolution of the issue.
- Where there is evidence that a resident's lifestyle has resulted in condensation and mould growth due to a lack of heating or ventilation, or lack of adequate airflow.
- Where a complaint has been previously investigated and closed.
- Claims for personal injury.
- Loss of earnings or Rental Income.

6.5 MANAGEMENT DISCRETION

- In all cases where there has been a service failure by us and a detriment caused to the complainant, management have the discretion to offer compensation as outlined in section 6.3 of this policy.
- All financial offers will be made in accordance with the Compensation Amounts Procedure – Staff Guidance. Any compensation above these limits must be approved by a Director in accordance with the FSO.

6.6 CLAIMING COMPENSATION

- The circumstances of the complaint will be investigated in line with our Customer Feedback Policy and, where appropriate, an offer of compensation will be made.
- Any offer and/or payment of compensation, which is made solely under the terms of our Compensation Policy and Procedure, in no way constitutes an admission of any liability for any losses incurred by the claimant.
- Offers of compensation will be evidence lead and made solely on belief or probability.
- We will normally offset any compensation or goodwill gestures made against any arrears or debts owed to us by the customer. It is only in exceptional circumstances payments may be made directly to the customer if they owe Your Housing Group money.

6.7 APPEALING DECISIONS

If a claim for compensation is turned down, or a claimant is unhappy with the amount of compensation offered, the YHG complaints procedure offers the right to review the decision. A copy of the Your Housing Group Customer Feedback Policy is available on request.

7. Responsibilities under this Policy

The Head of Customer Service is the responsible Policy Author.

The Policy Owner is the Director of Housing & Customer Service.

Complaint Owners are responsible for managing complaints within their service areas using this policy and in line with the agreed limits as detailed in the Compensation Amounts Procedure - Staff Guidance.

Director approval is required for approving discretionary payments outside the agreed limits in line with FSOs.

Any member of staff responsible for managing a service area will only use this policy to manage and determine compensation claims.

8. Risk Management

There is a risk of compensation payments not being made in a consistent manner. This policy seeks to manage that risk by providing a consistent framework to assess compensation amounts.

There are reputational risks to the business in relation to managing complaints effectively.

9. Data Protection, Record Storage and Retention

Any claims made under this policy will be managed via our housing management systems, Orchard and Service Now. These systems are GDPR compliant.

This policy considers any issues of data protection in relation to the processing of personal data under GDPR and is compliant with the Data Protection policy.

10. Equality and Diversity

YHG operates an Equality & Diversity policy, and this applies to all aspects of its services. We will ensure that no customer, resident or service user is treated less favourably on the grounds of age, ethnicity, religion or belief, disability, gender, gender reassignment, sexual orientation, pregnancy or maternity, marriage or civil partnership status. This policy, and all related information, can be made available in different formats and languages on request. This policy complies with the requirements of the Equality Act 2010 and has been Equality Impact Assessed.

11. Communication

This policy is published on our intranet 'Youggle' for internal staff.

This policy is a mandatory read for all staff who manage complaints. A policy summary sheet is used as part of the communications process.

12. Learning and Development

This policy and supporting Compensation Amounts Procedure – Staff Guidance will form part of the induction process for any new staff who manage complaints and compensation claims. They are also briefed on any changes made following the bi-annual review.

13. Performance Management of this Policy

Compensation claims will be monitored by the monthly Complaints Learning Group.

Claims for any compensation amounts in excess of £1000 will be reported to Risk and Compliance Group. All compensation payments are also reported to Risk & Compliance.

14. Review of this Policy

This policy will be reviewed every two years by the Head of Customer Service.

Related Documents

Document Type	Name
Connected Policies and Procedures	Customer Feedback Policy - Customer Feedback Policy FSO - Financial Standing Orders Equality & Diversity - Equality Diversity & Inclusion Policy - March 2018 Homes England - gov.uk - Home Loss Payments Home Decant Policy - Decant Policy Data Protection Policy 2018 Compensation Amounts Procedure – Staff Guidance
Forms and Letters	
Leaflets/Publicity Material	A policy summary sheet is available as part of this policy.
Training Materials Available	
Intranet/ Website Page	

Checklist

Policy Name: Compensation Policy				
Version No: 2.0		Effective Date: November 2021		
Status: Full Review				
Previous Policy Name (where appropriate) n/a				
Brief Summary of Changes from Previous Version:				
<ul style="list-style-type: none"> • Clearer language, terminology and definitions updated within the document • Tone and language updated in accordance Customer Connect framework • Removal of outdated commentary and/or process reference 				
Internal Consultation Group:		Customer Consultation: <input checked="" type="checkbox"/>		
Full EIA completed by Equality Impact Assessors Group		Date of Customer Consultation: Sept 2021		
		Customer Consultation Brief Details:		
		Customer focus group/Customer Connect Panel		
Date Initial Equality Impact Assessment Undertaken: n/a		Equality Impact Assessors:		
		Adele Duffy Cate Hargreaves Paul Feeney Alex Wilcock Alexia Bentley Fran Sykes Stephen Joyce		
Reason for Decision: Full review carried out during EIA training session				
Date Full Equality Impact Assessment Undertaken: 02/07/2021				
Brief Outline of any Changes Recommended from EIA:				
Ensuring policy and process are accessible to all customers				
Data Protection/ GDPR Implications: <input type="checkbox"/>				
Brief Outline of Data Protection/GDPR Implications:				
Legal Implications: <input type="checkbox"/>		Legal Panel Consulted: <input type="checkbox"/>		Date:
Risk Implications: <input type="checkbox"/>		Risk Logged on Datix: <input type="checkbox"/>		Date:
Resource Implications	People: <input type="checkbox"/>	Finance: <input type="checkbox"/>	Asset: <input type="checkbox"/>	Other: <input type="checkbox"/>
Brief Summary of how Resource Implications have been addressed:				
How will communication on this Policy take place: (please delete as appropriate)				
Intranet/ YHG Website				
Policy Owner: (Department) Director of Housing & Customer Service			Policy Author: Head of Customer Service	
Policy Checked by: Vicki Maguire, Research and Policy Manager				Date: 23/09/2021
Policy Signed Off By: (service manager or sponsor): Director of Customer Service				Date: 23/09/2021
Policy Approved By:				Date:
Risk and Compliance Group				06/10/2021
Customer Service Committee				11/11/2021

Compensation Amounts Procedure- Staff Guidance

APPENDIX 1

1. INTRODUCTION

Your Housing Group (YHG) aims to provide an excellent service to all its customers. However, we recognise that there are times when our service fails to meet the high standards we have set. If we fail to meet our own service standards or provide a poor service, we aim to put things right. At times, this may involve paying compensation in line with our Compensation Policy.

2. COMPENSATION LEVELS

All claims for compensation must be received within thirty-one days of the event that caused the loss or damage in line with legal requirements.

Compensation is awarded for two reasons:

- 1) **STATUTORY OBLIGATION.**
- 2) **DISCRETIONARY COMPENSATION.**

see tables below for further details of compensation levels.

1. DISCRETIONARY COMPENSATION

This is defined as payment, either obligatory or discretionary, of a sum of money in recognition of loss or detriment to a complainant. Each case will be considered on its own merits, and our staff may discuss the situation with the customer, to gain their views as to what would be an acceptable remedy, dependent on the situation. Consideration is given to: The duration of any avoidable distress or inconvenience, the seriousness of any other unfair impact, actions taken by us or the complainant which either mitigated or contributed to actual financial loss, distress, inconvenience or unfair impact and the level of rent or service charges.

FAILURE TO MEET SERVICE STANDARDS OR POLICY		
TOPIC	Considerations / Criteria	Levels of compensation £
Service Failure	If we have failed to comply with our own Service Standards compensation will be awarded per failure. Should the failure be due to a delay, an amount is awarded per day, up to a maximum.	Repairs 1) £5 per day up to a maximum £50 Other Service Failures 2) Up to a maximum of £100
GENERAL GOODWILL		
TOPIC	Considerations / Criteria	Levels of compensation £
Goodwill gestures	Goodwill gestures may be made on a discretionary basis in cases of severe inconvenience, hardship or minor making good.	Distress & Inconvenience 1) Up to £100 Communication/delay in resolving complaint 2) Up to £100
TIME & TROUBLE		
TOPIC	Considerations / Criteria	Levels of compensation £
Time & Trouble	Goodwill gestures may be made on a discretionary basis in cases of time a customer or 3 rd party has taken in order to resolve a situation, such as phone calls, visits, allowing for more appointments than should have been necessary. This may be in addition to inconvenience payments. No payment will be made for <ul style="list-style-type: none"> loss of earnings. 	Evidence may be required to show costs incurred, for all other time & trouble 1) Up to £100

LOSS OF ROOMS OR FACILITIES		
TOPIC	Considerations / Criteria	Levels of compensation £
Loss of use of whole home	If the whole home is rendered uninhabitable, we always aim to offer tenants temporary accommodation. If we are unable to do this, we will refund their rent for each day they are unable to live there, while repairs are being completed.	Current rent & consideration given to an allowance to contribute towards the cost of meals and drinking water. This amount will be determined based on individual cases as per no access to cooking facilities below.
Loss of use of any bedroom or living room	Where a room cannot be used, the total number of rooms will be divided by the current rent. Compensation will then be paid as a percentage of habitable rooms. The resulting figure is the amount of compensation for each complete week the room is unavailable.	Main Room 1) 20% of the weekly rent after 7 days Subsequent Rooms 2) 10% of the weekly rent after 7 days
Loss of kitchen / access to cooking facilities	Where the tenant/s lose complete use of their kitchen, YHG will also consider paying an allowance to contribute towards the cost of meals and drinking water.	Loss of Kitchen 1) 25% of the weekly rent after 48 hrs No access to cooking facilities 2) £15 per day per person
Total loss of washing/bathing facilities e.g. baths, showers and sinks	Where the tenant/s lose complete use of their bathroom, YH will consider paying an allowance to contribute towards the cost of meals and drinking water.	Loss of Bathroom – no other WC 1) 25% of the weekly rent after 48 hours Loss of Bathroom – separate WC available 2) 15% of the weekly rent after 48 hours
Loss of amenities e.g. electricity, heating and/or hot water between 1st October - 30 March. Outside of these dates, we will only consider vulnerable customers for compensation. Examples of 'vulnerable' are those with a disability, elderly, or households with children up to the age of 5.	Where a failure to complete a repair, that is YHG's responsibility, within the agreed timescale, has resulted in the resident not having full use of the utilities for an unreasonable period.	Winter Months (Oct-Mar) 1) Full loss- £5 per day 2) Partial loss- £2.50 per day Summer Months (Apr-Sep) 3) £2.50 per day (Hot Water ONLY)

DISCRETIONARY PAYMENT

TOPIC	Considerations / Criteria	Levels of compensation £
Discretionary Payment	<p>Manager discretion may be awarded when compensation elements do not fit within the compensation framework. This may be used in exceptional circumstances when the rest of the framework does not cover the issues. The amount may be exceeded where applicable.</p> <p>N.B Authorisation may be required by Senior Managers.</p>	<p>Discretionary</p> <p>1) If over £500 Head of Service or Director would need to approve</p>

NB: Discretion may be considered for any other categories/reasons not listed above, subject to our Compensation Policy.

INCREASED UTILITY COSTS / MAKING GOOD / SERVICE CHARGE / GOODWILL

TOPIC	Considerations / Criteria	Levels of compensation £
Increased utility costs	<p>Failure to complete a repair that is YHG’s responsibility: YHG is unable to complete a repair without the use of specialist equipment such as dehumidifiers, or: A customer is advised to use equipment such as a dehumidifier to resolve or remedy a repair.</p>	<p>YHG will compensate for proven additional electricity used.</p> <p>1) Temporary heater - £2.00 per day per heater. 2) Dehumidifier - £2.00 a day per unit</p>
Making good decorations or belongings e.g. if they have been damaged or disturbed due to a repair (this is subject to investigation once the repair has been completed)	<p>Where this is the fault of YHG contractors, the cover the costs of such damage, if it can be proven to be negligence or poor-quality workmanship, will be covered or decoration completed by YHG.</p>	<p>Compensation will be determined following inspection by YHG. We will also consider depreciation.</p> <p>1) £50 - £100 per room</p> <p>Evidence of costs incurred may be required</p>
Failure to provide a service which is subject to a service charge	<p>We would not award a payment if reasonable alternative arrangements to cover the service have been successfully implemented, or if only part of the service has not been delivered. e.g. if only one out of three washing machines in a sheltered scheme fails to be repaired, or if one light in a scheme is not repaired but others remain working, then no compensation would be considered.</p>	<p>If we fail to provide a service which a tenant has told us about, for which they pay a service charge, they may be entitled to receive compensation.</p> <p>1) Compensation will be the amount equivalent to the cost charged for the service they did not receive. The amount will be deducted from the next years charges and this will be provided to all those affected and not just the complainant.</p>

RIGHT TO BUY AND SHARED OWNERSHIP

TOPIC	Considerations / Criteria	Levels of compensation £
<p>Incorrect handling of an application for RTB</p>	<p>This is set out in the Housing Act 1985 and subsequent guidance is provided by the DCLG. There is a process which the complainant needs to follow, and a set level of recompense.</p> <p>This can be found at http://righttobuy.communities.gov.uk</p>	<p>Within the legislative guidance, the tenant/s can start to claim rent back from the start of the delay to the end of the delay. The total amount of rent is deducted from the sales price.</p> <p>No compensation is payable in this instance, although YHG may consider an exceptional circumstances award of compensation, if appropriate, up to a maximum of £50</p>
<p>Incorrect handling of shared owner stair-casing</p>	<p>Stair-casing is a sale by negotiation and, therefore, a sale by private treaty. This means compensation does not apply in accordance with the law (England/Wales).</p>	<p>If the shared owner can demonstrate, on production of receipts and other evidence, they have incurred additional expense due to our non-action, then these costs will also be considered, up to a maximum of £500.</p>

NB: Discretion may also be considered for any other categories/reasons not listed above, subject to our Compensation Policy.