



**Homes & Enterprise**

Supporting BME Communities

**COMPENSATION POLICY**

<b>Type of Document:</b>	<b>Policy Statement</b>
<b>Document Group:</b>	<b>Customer Services</b>
<b>Scope:</b>	<b>Group wide</b>
<b>Date:</b>	<b>May 2020</b>

## **1.0 Purpose and scope**

- 1.1 We have this policy because we want our customers to know our approach to managing compensation claims.
- 1.2 This policy applies to all customers of Unity Homes and Enterprise and any individual or group affected by the services we provide.

## **2.0 Policy aims and objectives**

- 2.1 Unity Homes and Enterprise aims to provide a good and reliable service to all its customers and to resolve any issues before the need for a compensation payment arises. If services fail or fall below our published standards, we want to know so that we can put it right.
- 2.2 Sometimes, a service failure may result in a loss to a customer. As a result, this policy aims to provide redress by:
  - setting out the circumstances under which compensation may be considered or a goodwill gesture made
  - ensuring compensation payments are fully assessed, monitored and controlled
  - promote consistency and fairness and consider compensation based on the merits and circumstances of each individual case
  - restore a person to the position they would have been in had the service failure not occurred

## **3.0 Service standards**

- 3.1 When we deal with compensation claims, we will:

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| <ul style="list-style-type: none"><li>• Provide customers with information about how their compensation claim will be handled.</li><li>• Acknowledge the claim or request within 2 working days.</li><li>• Investigate all compensation claims fairly.</li><li>• Provide a clear, easy to understand and jargon free response to a compensation claim within 10 working days unless further information is required.</li><li>• Keep customers informed where it is not possible to provide a full response within 10 working days.</li></ul> |
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## **4.0 Legislation and regulatory obligations**

- 4.1 This policy identifies the circumstances in which a customer may have a statutory or contractual entitlement to compensation.
- 4.2 We will also have regard to the following requirements of the Regulator of Social Housing when we apply this policy:
- Tenant Involvement and Empowerment Standard - this policy helps us to achieve this standard by ensuring that as part of our approach to customer services and complaints we also adopt a clear and consistent approach to the payment of compensation.
  - Value for Money Standard - this policy helps us to achieve this standard by ensuring we make the best use of our resources.
- 4.3 This content of this policy complies with the recommendations and guidance issued by the Housing Ombudsman Service.

## **5.0 Discretionary compensation – our approach**

### **5.1 Making a claim**

A claim must be made within one month of the incident or event taking place. If a customer needs help to make a claim, we will support them in any way we can. Claims can be in any form but must be accompanied by appropriate evidence of any losses.

Only in exceptional circumstances will we consider a claim after the one-month period has expired. This would need to be supported by reasons for the delay and will be considered entirely at our discretion.

### **5.2 When would we consider discretionary compensation?**

Compensation payments are considered only when a customer has experienced inconvenience or has incurred losses or additional costs because of a service failure on our part. For example, we have:

- failed to meet our own service targets

- failed to deliver a service which is paid for through a service charge
- not acted reasonably
- damaged personal possessions

Compensation is not automatic and in the first instance we will consider whether practical steps can be taken to remedy or resolve the issue.

### **5.3 When will we not consider compensation?**

We will not make compensation payments in certain circumstances. For example:

- Personal injury or housing disrepair legal claims
- Unity has acted reasonably and complied with its legal and contractual liabilities
- The fault is caused by a third party or is something we have no control over
- A claim could be made through a customer's own insurance – this policy is not intended to replace or compensate for a customer's lack of appropriate insurance cover
- The incident resulted from a customer's negligence or failure to comply with an obligation such as not reporting a repair
- The impact of reasonable property improvements
- The acts or lifestyle of the customer results in damage
- Damaged items were removed or replaced before Unity could view them
- Evidence is not provided to justify any claims
- The claim is to compensate for time off work or loss of earnings (this policy recognises that customers need to make arrangements to allow Unity access in order to comply with legal obligations)

Certain repair work may damage a resident's decorations. We will always attempt to make good, but if we are unable to match existing decorations we would only be able to offer a reasonable alternative and not offer additional compensation.

### **5.4 How we assess compensation claims**

In assessing a claim for compensation, we will consider the following:

- The severity of the time, trouble and inconvenience suffered and whether this was reasonably foreseeable by us
- Whether we have already provided non-financial compensation

- Could the loss or inconvenience be mitigated in another way by the customer
- Were any costs reasonably incurred
- Household vulnerabilities, including age or disability
- Failure to follow policies and procedures
- The time taken to resolve the matter

### Compensation guidance

Compensation may be a sum of money, but the amount will be reasonable, justifiable and proportionate and based on personal impact. It will reflect the level of loss or inconvenience suffered and the extent to which Unity has been directly responsible.

We do not prescribe set amounts of compensation based on specific service failures or events. Instead, we will use the following guidance when assessing potential compensation payments:

	<b>Inconvenience caused</b>	<b>Level of compensation considered</b>
<b>Minor service failure</b>	Service user has experienced a reasonable level of inconvenience on one occasion as a direct result of Unity actions or failure to act.	£0 -£50
<b>Moderate service failure</b>	A service failure has occurred on more than one occasion in succession and / or we failed to remedy the problem within a reasonable timescale.	£50-£100
<b>Severe service failure</b>	There has been a serious or prolonged service failure resulting in severe stress, disruption, inconvenience or loss to the customer.	Over £100

**Belongings** - Unity will look to replace damaged / destroyed items. Where this is the case, customers will be asked to provide receipts or proofs of purchase or up to three quotes to replace or repair the damaged or destroyed items. Where it is not possible to replace the destroyed or damaged items, we will take into account wear and tear value. We will not pay on a new for old basis.

**Service charges** - if we have failed to deliver a significant service paid for through a service charge, we will take account of the disruption caused and how long the service was unavailable. We will consider whether to pay compensation, adjust future service charges or restore the service by providing enhanced or additional services.

## **6.0 Statutory compensation – our approach**

### **6.1 Right to Repair**

The tenancy agreements of some residential tenants include the Right to Repair scheme. This scheme allows tenants to have certain qualifying repairs carried out within an agreed timescale.

Where these repairs cannot be completed within an agreed timescale, the tenant has a right to ask us to instruct a second contractor to complete the work. Where this contractor also fails to complete the work within the agreed time, the tenant would be entitled to compensation.

The compensation payable is a one off payment of £10 and £2 for each day the repair is outstanding up to a maximum of £50. Right to Repair compensation cannot be claimed, if the value of the repair exceeds £250 or the tenant fails to provide access to the property.

### **6.2 Right to Compensation for Improvements**

The tenancy agreements of some residential tenants include the Right to Compensation for Improvements carried out by a tenant. This can only be claimed at the end of a tenancy.

To qualify for the Right to Compensation for Improvements tenants must:

- Have received written consent from Unity for the improvement to be carried out
- Provide three estimates for the work by reputable contractors and have an estimate agreed by Unity
- Request compensation within 14 days of the tenancy ending

Tenants can claim for the cost of materials and labour, but not for appliances and their own labour. The amount payable can be up to £3,000 for any one improvement. The amount of compensation payable is calculated taking into account the depreciation of the improvement.

Details of qualifying improvements and how we calculate compensation is available on request.

Claims for under £50 will not be considered, nor will claims from tenants who apply to purchase their home through the Right to Acquire or where the tenancy is ended through possession proceedings.

### **6.3 Home Loss and Disturbance Payments**

#### **Home Loss Compensation**

This is paid to tenants who are required to move out of their home permanently by building works such as demolition or redevelopment. Tenants are entitled to the compensation for the loss of their home based on the rules set out in the statutory Home Loss Regulations.

The amount of the Home Loss payment is set by Government and revised annually. It can only be paid to tenants who have lived in the property for at least 12 months and can be claimed up to six months after the tenant has moved out.

#### **Disturbance Payments**

Under the Land Compensation Act 1973, tenants are also entitled to claim a Disturbance Payment to cover the reasonable costs of moving out of their home permanently.

Unity will make Disturbance Payments for the following expenses:

- Disconnection and reconnection of appliances and utilities
- Removal costs
- Installation of disability aids and adaptations when Unity has been unable to find a suitably adapted home to move into
- Reasonable out of pocket expenses

Residents who wish to claim Disturbance Payments will be required to provide written estimates and receipts for the claimed items.

#### **Discretionary Disturbance Payments**

Unity may require tenants to move out of their home on a temporary basis to allow major repairs to be completed. This is known as a temporary decant. This is explained in our Decant Policy.

Where a tenant stays with friends, in a hotel paid for by us or in a property not owned by Unity for a temporary period we will consider the following is Discretionary Disturbance Payments:

- Storage of tenants belongings where this is needed to allow repairs to be completed
- Reasonable out of pocket expenses up to a maximum of £10 per day

Where a tenant is temporarily decanted into a property owned by Unity we will consider the following is Discretionary Disturbance Payments:

- Removal of essential belongings to and from the temporary property
- Storage of tenants belongings where this is need to allow repairs to be completed
- Reasonable out of pocket expenses up to a maximum of £10 per day

Where the temporary decant is required as a result of a tenants failure to comply with their conditions of tenancy Unity will limit any discretionary disturbance payments and recharge the tenant for direct costs such as removals or storage.

## **7.0 Payments and complaints**

### **7.1 Payments**

Offers of compensation will usually be made once all remedial actions or repairs have been completed. This enables us to understand fully any adverse impact on the customer and ensure this is reflected in decisions. In accepting a compensation payment, a customer is acknowledging that the matter is resolved.

Where a customer fails to respond to an offer of compensation the offer will remain open for one month after which it will be withdrawn.

We will normally offset any compensation payment against outstanding rent arrears or other debt the customer may have with us. No cash payments will be made for amounts greater than £10.

## **7.2 Complaints**

If a customer is dissatisfied with the level of discretionary compensation offered, they can contact the service manager responsible for the decision within 10 working days. In such circumstances, the customer will be required to specify what they consider is an acceptable amount of compensation and their reasons for requesting it.

The compensation offer will be reviewed and if no agreement can be reached, the customer can make a formal complaint, which will be considered at stage 2 of our complaints process.

## **8.0 Responsibility**

8.1 Overall responsibility for this policy rests with the Director of Operations. Heads of service will implement it. All compensation payments will be reported to the Complaints Manager who will monitor and maintain a record of payments made to customers.

## **9.0 Monitoring and performance**

9.1 Monitoring of the implementation of this policy will be the responsibility of the Operations Committee. Unity will monitor all compensation payments made as part of good financial management. Unity will report on the total levels of compensation and gestures of good will paid on an annual basis.

## **11.0 Associated policies**

- Complaints and Feedback Policy
- Decant Policy
- Repairs Policy

## 12.0 Document management

Policy title	Compensation Policy
Policy group	Customer Services
Date created	15 April 2020
Policy owner	Director of Operations
Authorised by	Operations Committee
Date authorised	13.5.20
Review period	3 years
Date of next review	May 2023

<b>Consultation and assessment</b>	
Customer consultation	Considered by members of the Residents Panel during April 2020.
Equality Impact Assessment	Not required. This policy will ensure consistency and fairness in the consideration of compensation claims.
Data Protection Impact Assessment	Not required. Minimal risk of data breaches.

<b>Document review history</b>			
<b>Version</b>	<b>Date amended</b>	<b>Date approved</b>	<b>Key changes</b>
1.0	n/a	13.5.20	Original document

