



COMPENSATION POLICY

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 Statement

- 2.1 Unity Homes and Enterprise is committed to ensuring that any compensation awarded following a complaint is proportionate to the service failures identified and the impact these have had on the resident. This may include the payment of financial compensation.
- 2.2 This policy has due regard to the Housing Ombudsman's [Compensation policy Guidance for Landlords](#).

3.0 Policy aims and objectives

- 3.1 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.
- 3.2 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
 - promoting consistency and fairness and consider compensation based on the merits and circumstances of each individual case
 - restoring a person to the position they would have been in had the service failure not occurred

4.0 Definitions

We will define compensation into one of three categories:

- 4.1 **Mandatory** – compensation we have to pay by law. Examples are
- statutory home loss and disturbance payments
 - home improvement payments, and
 - payments under the Right to Repair Scheme.

4.2 Discretionary – compensation we choose to pay, usually for distress and inconvenience. Examples are:

- poor complaint handling
- delays in providing a service eg in undertaking a repair
- failure to provide a service that has been charged for
- temporary loss of amenity
- failure to meet target response times
- loss of use of part of the property
- failure to follow policy and procedure
- unreasonable time taken to resolve a situation

Discretionary payments will be determined and assessed on each individual case ensuring fairness, proportionality and consistency. We may offer non-financial remedies as discretionary compensation if we deem it to be appropriate and we will not offer compensation in every case. Any offers made will be in accordance with the amounts detailed in the

[HOS Compensation Amounts Remedies Guidance](#)

4.3 Quantifiable loss – where the service failure has resulted in actual out-of-pocket expenses. Examples of these include:

- paying for additional water costs due to our failure to remedy a leak
- paying for additional utility bills for running alternative sources of heating where we have failed to repair a faulty heating system within a reasonable timeframe or for running dehumidifiers following a major leak in a property.
- where a resident has had to pay for repairs when we have failed to meet our obligations
- having to pay for alternative accommodation or take away food
- reimbursing bank charges incurred due to errors in direct debit collection

These costs must have reasonably occurred and evidence of such loss must be provided.

5.0 Legislation and regulatory obligations

5.1 This policy identifies the circumstances in which a customer may have a statutory or contractual entitlement to compensation.

- 5.2 We will follow the rules set out in the Housing Ombudsman Scheme (HOS) [Complaint Handling Code](#) and in particular the guidance set out in their [Compensation guidance](#).
- 5.3 We will also have regard to the following requirements of the Regulator of Social Housing Economic and Consumer Standards when we apply this policy:
- Transparency, Influence and Accountability 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.
 - Governance and Financial Viability Standard - this policy ensures we comply with our governance requirements.

6.0 Discretionary compensation – our approach

Making a claim

- 6.1 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.
- 6.2 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.
- 6.3 A customer does not have to make a complaint to claim compensation.

When would we consider discretionary compensation?

- 6.4 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. See section 4.1 for some examples of where we would consider paying out discretionary compensation.
- 6.5 Compensation is not automatic and in the first instance we will consider whether practical steps can be taken to remedy or resolve the issue.

When will we not consider compensation?

6.6 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
- 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)
- Claims for damage caused by something beyond our control ie storm or flood damage.
- Claims made for anything caused by a person or company that were not working for Unity.

6.7 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.

How we assess compensation claims

6.8 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

- 6.9 Compensation may be a sum of money or other practical actions we can take to remedy the situation or a combination of both. Other practical actions could include offering to redecorate which would otherwise be a customer's responsibility, a gesture of goodwill in the form of vouchers, chocolates, or flowers. We will always offer an apology in the first instance where there have been service failures.
- 6.10 Compensation amounts 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.

Calculating Compensation

- 6.11 We do not prescribe set amounts of compensation based on specific service failures or events. Instead deciding the amount of compensation to be paid will be a judgement on the individual circumstances of each case, the number and severity of the failings, and any aggravating or mitigating factors.
- 6.12 Examples of when the customer's own actions mitigate the extent of the compensation being offered are:
- failure to report a repair or other matters within a reasonable timeframe
 - failure to communicate effectively or respond to us
 - failure to provide access
- 6.13 Examples of aggravating factors might include:
- customer's mental health condition (especially where our failures aggravate an existing condition)
 - customers with young children
 - customers with physical disabilities
- 6.14 We will use the following guidance when assessing potential compensation payments and where we have to consider a number of issues, we will follow the [HOS Compensation guidance](#) in calculating the compensation amount.

	Inconvenience caused	Level of compensation considered
Minor service failure/ impact	Service user has experienced a reasonable level of inconvenience on one occasion as a direct result of Unity actions or failure to act. The impact lasted for a short time and we have fixed the issue quickly.	£0 - £100
Moderate service failure/ impact	A service failure has occurred on more than one occasion in succession and / or we failed to remedy the problem within a reasonable timescale. The impact of the issue is bigger but not permanent, and the issue lasted longer than should've expected.	£100 - £600
Severe service failure/ impact	There has been a serious or prolonged service failure resulting in severe stress, disruption, inconvenience or loss to the customer. The issue or mistake has caused severe physical or emotional impact or has (or will have) a severe long term impact.	£600 - £1000
Major Service failure/ impact	There has been a single or a series of significant failures which have had a seriously detrimental impact on the customer. Our response, or lack of thereof, made the situation worse and further undermined our relationship with the customer.	£1000+

6.15 In addition the following amounts will be considered for any failures in dealing with a complaint.

Complaint Handling		
Minor Failure	Failure by Unity to comply with the Complaints policy	£50
Moderate Failure	Failure by Unity to comply with the Complaints policy and a failure to investigate the complaint properly leading to inconvenience and additional effort from the customer to resolve the issue	£100
Substantial Failure	A substantial failure by Unity in dealing with the complaint. This would include a failure to comply with the policy, including a response delayed by weeks or months, affecting timely resolution of the dispute, or, the response having significant errors resulting in misleading advice, unaddressed complaint, or confusion on the part of the customer.	£200

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.

7.0 Statutory compensation – our approach

Right to Repair

- 7.1 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.
- 7.2 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.
- 7.3 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.

Right to Compensation for Improvements

- 7.4 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.
- 7.5 Only certain improvements qualify for compensation and we would have to confirm that the improvement is eligible for compensation. The improvement must be of benefit to Unity Housing and not affect the future letting and maintenance of the property. 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

7.6 Tenants can claim for the cost of materials and labour, but not for appliances and their own labour. 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.

7.7 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.

Home Loss Payments

7.8 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.

7.9 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

7.10 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.

7.11 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

- 7.12 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.
- 7.13 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 as 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
- 7.14 Where a tenant is temporarily decanted into a property owned by Unity we will consider the following as 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
- 7.15 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.

8.0 Payments

- 8.1 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.
- 8.2 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.
- 8.3 We will normally offset any compensation payment against outstanding rent arrears or other debt the customer may have with us.
- 8.4 The normal method of payment will be by BACS transfer into the customer's bank account.

9.0 Complaints

- 9.1 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.
- 9.2 The compensation offer will be reviewed and if no agreement can be reached, the customer can either make a formal complaint, which will be dealt with through Unity's Complaints Policy, or if the compensation offer was part of the stage 1 complaint response, escalate the complaint to stage 2.

10.0 Responsibility

- 10.1 Overall responsibility for this policy rests with the Director of Housing Operations. Service Managers will implement it. All compensation payments will be reported to the Complaints Lead Officer who will monitor and maintain a record of payments made to customers.

11.0 Monitoring and performance

- 11.1 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.

12.0 Diversity and Inclusion Implications

- 13.1 Unity are committed to ensuring our policies are inclusive and that everyone is treated fairly. This policy ensures fair treatment for everyone who might raise a claim for compensation under this policy regardless of age, race, ethnic origin, gender, nationality, disability, religion, marital status, maternity or sexual orientation.

13.0 Associated policies

- Complaints Policy
- Decant Policy
- Repairs Policy

Document management

Policy title	Compensation Policy
Date created	June 2026
Policy owner	Director of Housing Operations
Approved by	Unity Board
Date Approved	June 2026
Review period	3 years unless required sooner
Date of next review	June 2029

Consultation and assessment	
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.

Document review history			
Version	Date amended	Date approved	Key changes
1.0	n/a	13.5.20	Original document
2.0	June 2026	24.06.26	Compensation amounts updated in line with the new Housing Ombudsman Compensation and Remedies Guidance issued in February 2026