

Compensation and Remedies Policy

Document Control

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| Policy Reviewing Officer | Corporate Manager – Karen Green | | |
| Regulatory References | Housing Ombudsman Complaint Handling Code Consumer Standards | | |
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| Revision History | | | |
| Date | Version | Reviewer | Change |
| 23/9/25 | 2.1 | Karen Green | <ul style="list-style-type: none">• Name changed to include 'Remedies'.• Guidance on determining Goodwill gestures.• Enabling officers to award Quantifiable Loss within stated parameters. |
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| Consultation | SMT/Board | | |
| Distribution | All Staff & Arches Website | | |

1. Policy Statement and Principles

- 1.1. This Policy sets out how Arches Housing approaches compensation and other remedies. We recognise that unfortunately there may be occasions when we have not delivered our services to the required standard, and this policy ensures that we have a fair and consistent approach that provides reasonable options for redress that is resident-focused.
- 1.2. The Policy applies to current and former residents of Arches Housing properties, including shared-owners and leaseholders.
- 1.3. This policy does not affect a tenant's statutory right to compensation under the Housing Acts, Right to Repair Regulations, or Home-Loss payments under the Land Compensation Act. Details of qualifying repairs are set-out in the Responsive Repairs Policy.
- 1.4. This Policy should be read in conjunction with the Resident's Complaints Policy in respect of complaints which we find Upheld.
- 1.5. This Policy recognises the Housing Ombudsman guidance as set-out within Annex A of the Guidance on Remedies, and our respective roles regarding remedies within dispute resolution.
- 1.6. Residents are expected to take out Contents Insurance to protect against the cost of replacing their household items such as furniture, electrical goods, and clothing, in the event of accidental damage or wear and tear in their home. Please refer to section 7 for details on situations where compensation will not be paid.

2. Policy Aims

- 2.1. This Policy aims to provide details of the types of awards (compensation or other remedies) that are available to residents and the circumstances in which it may be appropriate for an award to be made.

3. Exclusions

- 3.1. Compensation claims for **Personal Injury**, and **Public Liability** will be referred to our insurer if we first determine this to be the most appropriate response. Liability is not accepted until proven by our insurers. Details of our insurers will be provided upon request.
- 3.2. Claims which a resident would make under their **Tenants Contents Insurance** policy due to normal wear and tear, or accidental damage by the resident, their household or guests. Residents are expected to have in place insurance for their personal contents such as furniture, clothing, electronic equipment etc. If damage occurs tenants should contact their insurance provider for advice in the first instance.
- 3.3. **Home Loss and Disturbance** Payments associated with the tenant and their household being asked to temporarily or permanently move to alternative accommodation due to a large-scale improvement or redevelopment of their home. This is dealt with under the Decant Policy and procedure.

- 3.4. Compensation in respect of the tenants **Right to Repair** which is dealt with at appendix 3 of the Responsive Repairs Policy – Right to Repair.

4. Types of Award?

- 4.1. Arches Housing consider three types of awards as remedies:

- 4.1.1. **Quantifiable loss payments** (where people can demonstrate actual loss) this type of payment applies to all residents who are impacted unfairly by a service provided by Arches Housing. These include:
- Temporary loss of facilities or amenities in circumstances where a tenant and their household are unable to use parts of their home, or its amenities where Arches is responsible for the loss due to our error in providing a service in-line with the requirements of our Policy.
 - Loss or damage to personal property or internal decorations which is due to poor workmanship, or a delay in providing a service or repair. We will consider the most appropriate remedy which may be monetary, or practical action such as a decorator or providing a replacement or repairs.
 - Additional Costs such as those incurred for electricity where alternative heating has been supplied where the existing heating system is temporarily out of use, or for dehumidifiers for drying out walls due to water penetration, or for costs of unmetered water or oil from a domestic heating installation.
 - Loss of earnings where a resident has made arrangements to be absent from their work to accommodate a repair appointment that we have failed to cancel or rearrange within the timescales of our Repairs policy. A maximum of £15 will be paid subject to evidence of loss of earnings.
- 4.1.2. **Goodwill Gestures** (for time, trouble, distress and inconvenience) seeks to recognise when a Complaint has found that our failing has caused the resident to experience a detriment not associated with a financial loss or impact. This might include distress and inconvenience, time and trouble, disappointment, loss of confidence, and delays in getting matters resolved. The remedy could be an award of money or could be practical actions such as offering to undertake repairs or redecoration which would otherwise be a resident's responsibility, or a more personal gift of chocolates or flowers. A fitting remedy will be agreed with the complainant.

5. Compensation for Quantifiable Loss

- 5.1. The following table sets out the problem, the circumstances in which an application for compensation will be considered, and an estimate of the amount claimants may receive:

| The Problem | When compensation will be paid | Compensation amount |
|---|---|---|
| You cannot use a room or rooms in your home (including the hall, stairs and landing). | If we agree that the room cannot be used due to disrepair issues caused by Arches Housing or contractor failure. Compensation will not be paid where this has been caused by the tenants or their household, either by neglect or intentional damage, or the room in | We divide your weekly rent by the number of rooms in your home to give us the value of the loss per room, and then divide this further by 7 days to give a daily loss rate. For example, if the weekly rent for a 2 bedroomed flat (5 rooms) is £80, then we would divide this by the number of rooms, e.g. 5 to |

| The Problem | When compensation will be paid | Compensation amount |
|--|---|--|
| | question is not usually used, such as a second bedroom or second bathroom. | give £16, and divide this by 7 to give a day loss rate of £2.30 per room. |
| We have not provided a service for which residents have paid a service charge. | If we agree that the service was not provided and was not beyond our control, such as due to severe weather conditions for missed gardening service etc. | The usual charge for the service that was not provided. This will be paid to all tenants affected. |
| A total loss of heating and/or hot water. | When the repair has not been completed in the required timescale, and when the customer requests it. Alternative heating will always be provided in the first instance, such as electric heaters. | For loss during the winter months – 1 st October to 31 st March = 50% of the daily rent for that property. Where the household contains a vulnerable member with a medical need for year-round heating, the same rate will apply. during the summer months – 1 st April to 30 th September |
| Loss of cooking facilities. | If the loss is because of an unresolved repair issue which renders your own facilities/equipment unusable, or the room is undergoing significant improvement works which prevent the cooking of food for an evening meal. | For each day for the duration of the disturbance an allowance of £8 per household member can be claimed for a warm evening meal. |
| We have not kept an appointment for a visit or a repair. | If we failed to keep a confirmed appointment and it is proven that a minimum of 4 hours' notice of cancellation was not given, and the tenant has suffered a loss of earnings as a result. | £15 will be paid in recognition of inconvenience and loss of earnings. Where a tenant can prove a higher value of loss of earnings through written evidence from an employer, a higher sum will be determined at the discretion of the relevant Manager or Head of Service. |
| We have damaged your belongings during work. | If we agree that your property has been damaged after due consideration of evidence, and that you took all reasonable steps to safeguard your belonging before work took place. | We will pay costs for professional cleaning and/or repairing items. In cases where damage is irreparable, we will provide a like for like replacement* for the item(s) or cash equivalent, subject to prior agreement of the cost per item before purchase takes place, and proof of purchase. <i>* Like for Like refers to the current condition of the item in questions,</i> |

| The Problem | When compensation will be paid | Compensation amount |
|--|--|---|
| | | <i>which accounts for depreciation and normal wear and tear.</i> |
| You have to pay more than usual on your energy costs. | If we provided electrical appliances in the course of completing repairs at your home, such as electric heaters due to heating loss, or dehumidifiers to dry-out a room or rooms due to water escape. | <p>A flat rate payment of £5.88 contribution per day for up to 2 Fan heaters.</p> <p>To avoid financial hardship this may be paid up-front.</p> |
| You are moving out but have spent money making improvements to the home you are leaving. | <p>The tenancy is ending, and you completed the improvement after 1st April 1994.</p> <p>The improvement must be a 'qualifying improvement', authorised, checked and approved by Arches Housing at the time of installation, and still in a good condition when you leave.</p> <p>If applicable this will be assessed during the termination process through discussion with your Housing Officer.</p> <p>A Qualifying Improvement includes:</p> <ul style="list-style-type: none"> • Fitting a new bath, shower, wash hand basin or toilet; • Fitting a new kitchen sink; • Fitting additional new kitchen cupboards; • Fitting additional work surfaces for preparing food; • Cavity wall or loft insulation; • Insulation of pipes, water tank or cylinder; • Space or water heating; • Fitting thermostatic radiator valves; • Draught-proofing or outside doors or windows; • Security Improvement (except burglar alarms and metal grills); • Secondary or double glazing or other window placement; • Re-wiring or the provision of power and lighting to other electrical fittings (including smoke detectors). | <p>Compensation is calculated based on depreciation from the initial value, taking into consideration time passed and current condition. The full costs will not be reimbursed.</p> <p>The maximum payment that can be received is £3,000 and applicants must meet certain requirements in order to qualify.</p> <p>Further information on qualifying repairs is set-out in the Responsive Repairs Policy. Your rights and how compensation is determined is set-out in the Housing Act 1985.</p> |

6. Goodwill Gestures

6.1. The following table provides advice on how we will fairly and consistently consider the unique circumstances of each upheld complaint proportionate to the impact of our service failing:

| Impact | Finding | Gesture |
|---|--|---|
| Minimal: <ul style="list-style-type: none"> Of Short duration Service failure found may not have significantly affected the overall outcome for the resident Might include distress and inconvenience, time and trouble, disappointment, loss of confidence, and delays in getting matters resolved | <p>There was minor failure by us in the service we provided.</p> <p>We may have made an offer of action/compensation but it does not quite reflect the detriment to the resident and/or is not quite proportionate to the failings identified by our investigation.</p> | <p>£25 to £50; or</p> <p>An appropriate gift of an equivalent value; or</p> <p>Provision of a minor handy-man service.</p> |
| Some but no permanent impact | <p>The resident was adversely affected by our failure.</p> <p>We may have made an offer of action/compensation but this does not respectfully reflect the detriment to the resident and/or is not quite proportionate to the failings identified by our investigation.</p> | <p>£75 to £300; or</p> <p>An appropriate gift of an equivalent value; or</p> <p>Provision of repairs typically outside of our repairing responsibilities</p> |
| <ul style="list-style-type: none"> Significant impact Physical and/or emotional impact with short to medium term application | <p>There were significant failings, and the resident was badly affected by the failure.</p> <p>The circumstances for severe maladministration apply but the redress needed to put things right is at the lower end of that scale.</p> | <p>£300 to £500; or</p> <p>An appropriate gift of an equivalent value; or</p> <p>Provision of repairs typically outside of our repairing responsibilities; or</p> <p>A combination thereof.</p> |
| <ul style="list-style-type: none"> Severe long-term/permanent impact | <p>There were serious failings by us.</p> <p>There was a single significant failure in service or a series of significant failures which have had a seriously detrimental impact on the resident.</p> | <p>£500 to £1,000; or</p> <p>An appropriate gift of an equivalent value; or</p> |

| Impact | Finding | Gesture |
|--------|---|---|
| | <p>This includes how we handled the complaint, and the impact this has all had on the resident-landlord relationship.</p> <p>The failures accumulated over a significant period of time, or there was a single significant service failure on this scale.</p> | <p>Provision of repairs typically outside of our repairing responsibilities; or</p> <p>A combination thereof.</p> |

7. How an award of Compensation or Goodwill will be given

- 7.1. If it is determined with the resident that the qualifying circumstances for quantifiable loss compensation have been met, compensation will be awarded directly. Any cash payments that have been determined will be paid by bank transfer directly to the resident's bank account.
- 7.2. Cash awards will be paid as a credit to rent accounts where a debt of arrears is outstanding, unless the cash is required for an emergency need or to reimburse out of pocket expenses. Non-cash awards/remedies will be provided as agreed with the resident.

8. When Compensation Will Not Be Paid

- 8.1. Where the reason for a request for compensation cannot be proven or is in dispute, Compensation will not be paid until a full investigation has taken place and has found that Arches Housing was at fault, or in breach of its published standards and Policy in-line with our Customer Feedback Policy, or it is proven that a Duty is owed. This is with the exception of Compensation for Qualifying Improvements upon termination of a tenancy as this is dealt with within the Termination process.
- 8.2. Compensation will not be paid where the original fault was caused by neglect by failing to report a repair, failing to allow access to complete a repair, or through intentional damage by the tenant or their household.
- 8.3. Compensation will not be paid if the event arose from unauthorised and poor-quality alterations to a property carried out by the tenant either directly or by a third person working under instruction from the tenant.
- 8.4. Compensation may be reduced if it is felt that the tenants contributed to the damage/loss as a result of any other act or omission.
- 8.5. Compensation will not be paid when it relates to new, or newly refurbished properties which are covered by a defects liability period. Within the first year the developer/ contractor is responsible for making good any defects, including awarding compensation. On such occasions Arches Housing will act as intermediary to coordinate a timely response from the contractor.

9. Exceptions

- 9.1. In cases of extreme hardship where the tenant does not have insurance, we may consider a 'without prejudice' payment, normally up to a maximum of £50.00.
- 9.2. Where it is alleged that belongings of a value in excess of £1,000 have been accidentally damaged by Arches staff or contractors, the matter will be referred to our insurers. We will request an independent valuation of the damaged item(s) or obtain our own quotation for the cost of cleaning, repairing or replacing the item. The tenant should be advised to keep any item that has been damaged until after their claim has been settled.

10. Agency Managed or Supported Housing

- 10.1. Where claims are received due to failures in services provided by a partner organisation providing care or other services, a record of the claim will be made, and the claim referred to the agency concerned. We will maintain an interest in the claim, and require the agency to inform us of the outcome.
- 10.2. All agencies working on behalf of Arches Housing will be expected to have a clear Customer Complaints Policy and Compensation Policy, clearly setting out how they will investigate and resolve complaints, and determine compensation for complainants.

11. Compensation and Universal Credit

- 11.1. Compensation is an income and must be declared to the Department for Work and Pensions (DWP) as a change in circumstances and may affect the amount of your entitlement to Universal Credit. Failure to do so is considered to be fraud which is a criminal offence.

12. Review

- 12.1. This Policy will be subject to review every two years, or in response to significant changes in legislation, regulation, codes of practice or guidance.

13. Governance and Assurance

The Policy Owner is the Director of Operations.