

# Compensation Policy

<b>Reference</b>	CS02	<b>Version</b>	2.0
<b>Staff affected</b>	All staff, tenants and customers of Arches Housing	<b>Issue date</b>	December 2020
<b>Approved by</b>	Executive Leadership Team (ELT)	<b>Review Date</b>	December 2023

## 1. Policy Statement and Principles

- 1.1. Arches is committed to treating customers with fairness and respect by having a clear and consistent approach to awarding compensation when this is found to be necessary either as a result of a complaint, or to comply with a legal duty.
- 1.2. This policy does not affect a tenant's statutory rights to compensation under the Housing Acts, Right to Repair Regulations, or Home-Loss payments under the Land Compensation Act.
- 1.3. This Policy should be read in conjunction with the Customer Complaints and Feedback Policy in respect of complaints which are found to be upheld fully or partially.
- 1.4. Tenants 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 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 circumstances where compensation may be payable, and to provide advice on how much we will pay for different situations.

## 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. Our stance is that liability is not accepted until proven by our insurers. Details of our insurers will be provided upon request.
- 3.2. Claims which a customer would make under their **Tenants Contents Insurance** policy due to normal wear and tear, or accidental damage. Tenants 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. What is Compensation and how is it paid?

- 4.1. Compensation is something awarded to someone in recognition of loss or poor service.

- 4.2. Types of compensation awarded will be appropriate to the loss suffered. This can include providing supplies such as a paint pack or decoration vouchers where damage to decoration has occurred, or a like-for-like replacement of damaged goods. Where cash is appropriate it will be paid in-line with clause 2.3.
- 4.3. In all instances cash compensation will be paid as a credit to rent accounts where a debt of arrears, or other sundry debt is outstanding, unless the cash is required for an emergency need. When a cash payment is appropriate it will be paid by cheque.

## 5. Types of Compensation Payments covered in this Policy

- 5.1. This policy concerns how we will determine **discretionary** compensation. Types of discretionary compensation include:
- 5.2. **Temporary loss of facilities or amenities** in circumstances where a tenant and their household is unable to use parts of their home, or its amenities, and where Arches is responsible for the loss.
- 5.3. **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.
- 5.4. **Loss of Services** where a service charge is paid for which the service has not been provided, except in circumstances beyond our control such as severe weather conditions.
- 5.5. **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.

## 6. When Compensation Will Be Paid

- 6.1. 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, subject to investigation in-line with the Customer Feedback Policy.

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).	<p>If we agree that the room cannot be used due to disrepair issues caused by Arches Housing or contractor failure.</p> <p>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 question is not usually used, such as a second bedroom or second bathroom.</p>	<p>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.</p> <p>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 give £16, and divide this by 7 to give a day loss rate of £2.30 per room.</p>

The Problem	When compensation will be paid	Compensation amount
We do not provide 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 <sup>st</sup> October to 31 <sup>st</sup> March = £3 per day of loss  For loss during the summer months – 1 <sup>st</sup> April to 30 <sup>th</sup> September = £2 per day of loss.
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 or 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 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 or. 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, which accounts for depreciation and normal wear and tear.</i>

The Problem	When compensation will be paid	Compensation amount
<p>You have to pay more than usual on your energy costs.</p>	<p>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>	<p>A flat rate payment of £4 per day will be paid for each appliance that is in use.</p> <p>To avoid financial hardship this may be paid up-front.</p>
<p>You are moving out but have spent money making improvements to the home you are leaving.</p>	<p>The tenancy is ending and you completed the improvement after 1<sup>st</sup> April 1994.</p> <p>The improvement must be a 'qualifying improvement', 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"> <li>• Fitting a new bath, shower, wash hand basin or toilet;</li> <li>• Fitting a new kitchen sink;</li> <li>• Fitting additional new kitchen cupboards;</li> <li>• Fitting additional work surfaces for preparing food;</li> <li>• Cavity wall or loft insulation;</li> <li>• Insulation of pipes, water tank or cylinder;</li> <li>• Space or water heating;</li> <li>• Fitting thermostatic radiator valves;</li> <li>• Draught-proofing or outside doors or windows;</li> <li>• Security Improvement (except burglar alarms and metal grills);</li> <li>• Secondary or double glazing or other window placement;</li> <li>• Re-wiring or the provision of power and lighting to other electrical fittings (including smoke detectors).</li> </ul>	<p>The compensation amount will vary based on the initial cost if evidence is provided, or an estimate if not, and the time that has passed since the improvement was carried out.</p> <p>The maximum payment that can be received is £3,000 and applicants must meet certain requirements in order to qualify.</p> <p>Your rights and how compensation is determined is set-out in the Landlord and Tenant Amendment Act 1980.</p>

## 7. When Compensation Will Not Be Paid

- 7.1. 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.

- 7.2. 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.
- 7.3. 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.
- 7.4. 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.
- 7.5. Compensation will not be paid by Arches Housing 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.

## **8. Exceptions**

- 8.1. 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.
- 8.2. 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.

## **9. Agency Managed or Supported Housing**

- 9.1. 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.
- 9.2. 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.

## **10. Compensation and Universal Credit**

- 10.1. 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.

## **11. Review**

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

12. **Governance and Assurance**

12.1. The Policy Owner is the Director of Operations. Monitoring the delivery of this Policy will be the responsibility of the Board of Management via the annual Customer Feedback report.