



## **Compensation Policy**

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<b>Document Title</b>	Compensation Policy
<b>Version number</b>	Version 4
<b>Version date</b>	February 2023
<b>Author Title &amp; Issuing Department</b>	Customer Voice Manager Quality & Performance
<b>Target Audience</b>	Colleagues within the Communities and Customer Service, Property Services & Complaints Teams. Customers

<b>Approved By</b>	Executive Director
<b>Date Approved</b>	February 2023
<b>Review Date</b>	February 2026

<b>Links to Regulatory Standards – Economic/ Consumer Standards</b>	<p><b>Tenant Involvement and Empowerment Standard - Customer service, choice and complaints</b></p> <p>Registered providers shall provide tenants with choices, information and communication that is appropriate to the diverse needs of their tenants in the delivery of all standards</p>
<b>Outcomes for Customers</b>	<p><b>Residents</b></p> <ul style="list-style-type: none"> <li>▶ clear information about how compensation payments for service failure are calculated</li> </ul>
<b>How were tenants, residents and service users involved in the review/development of this document</b>	<ul style="list-style-type: none"> <li>▶ Consultation took place with:             <ul style="list-style-type: none"> <li>▶ Online Survey Group</li> <li>▶ Proof-readers Panel</li> </ul> </li> </ul>
<b>Training Provision</b>	<p>The Head of Communities, Customer Services Manager, Customer Voice Manager, Head of Planned Maintenance, Commercial Head of Asset Management &amp; Building Safety and Head of Responsive Repairs will be responsible for cascading the policy to their teams.</p>
<b>Links to the Business Plan</b>	<p><b>Property Services &amp; Communities:</b></p> <ul style="list-style-type: none"> <li>▶ Deliver a positive and effective complaints process and culture</li> </ul>
<b>Links to Key Values</b>	<p><b>Diversity:</b> The circumstances of individual household members will be taken into consideration when we decide compensation payments.</p> <p><b>Openness:</b> This policy sets out our approach for where compensation for service failure payments may be made.</p>



**Accountability:** The policy sets out the responsibilities of the teams across emh who are involved in administering our approach.

**Clarity:** The policy clarifies the circumstances when payments are discretionary or not; and clarifies the compensation amounts payable and under which circumstances.

## Version Control

Version	Revision Date	Author: Job Title	Change Description
3	10.1.23	Customer Voice Manager	Appendix 2 added – calculating compensation matrix



## Introduction

- 1.1 This Policy sets out emh's approach to compensation payments.
- 1.2 We aim to provide an excellent standard of service to all our tenants & residents. On the occasions when we fail to meet minimum service standards or tenants suffer loss of amenity, we will offer either financial compensation or gifts as appropriate.

## Policy Objectives

- 2.1 To provide clear guidance for managers and staff dealing with claims for compensation or addressing acknowledged failures in service delivery.
- 2.2 To outline both the circumstances in which tenants & residents may be entitled to compensation and instances where emh may wish to make discretionary gestures.
- 2.3 To ensure compliance with regulatory requirements relating to the payment of compensation for service failure.
- 2.4 To reduce exposure to financial risk or exploitation and ensure the compensation process is managed effectively by staff.

## Scope

- 3.1 The Policy and accompanying procedures apply to all customers who live in our properties and/or receive services provided by us.
- 3.2 This includes:
  - ▶ Tenants
  - ▶ Leaseholders
  - ▶ Shared owners
  - ▶ Non-customers
  - ▶ New applicants
- 3.3 This policy does not apply where our properties have been leased to another organisation (thereby releasing emh, as contractual landlord). In these circumstances the leasing organisation takes responsibility for all forms of compensation payable except for statutory home loss or disturbance because of actions by emh (see emh Decants, Home loss and Disturbance Policy).
- 3.4 To ensure that emh remains compliant with regulator and ombudsman expectations, Management Agreements will not transfer responsibilities for compensation to Managing Agents. However, they will include sufficient indemnities from Managing Agents to cover compensations paid by emh due to any service failure on the part of the Managing Agent.
- 3.5 Tenants & residents who are entitled to compensation but have outstanding debts, including arrears, rechargeable repairs or other sundry debts will have their accounts credited in lieu



of receiving the payment directly. This does not include compensation for loss or out of pocket expenses under £500, see 4.3 Quantifiable Loss Payments.

- 3.6 This guidance should be read in conjunction with the Complaints Policy if dealing with compensation requests following a complaint.
- 3.7 This policy does not cover personal injury or damage to tenants & residents' belongings/property more than £500 but emh do have liability insurance which covers loss or injury to a customer due to our negligence. Care must therefore be taken when dealing with any request for discretionary compensation so as not to compromise any potential insurance case. Where personal injury is involved, the case must be referred to the insurers immediately. Where there is no personal injury but there is doubt as to whether the case is covered by the liability insurance the details of the case should be discussed with the Insurance team. They will in turn refer to the insurers for guidance if necessary.
- 3.8 All compensation payments and goodwill gestures made by emh are to the entire household and not separate individuals living in the property.

## Our Approach

- 4.1 Our compensation payments can be clearly set out in to four categories. These categories are including, but not limited to the examples below:
- 4.2 **Mandatory Payments** - Home loss, disturbance, improvements, and payments under the Right to Repair scheme
- 4.3 **Quantifiable Loss Payments** - Increased heating bills due to disrepair, paying for alternative accommodation, take away meals, or for cleaning and carrying out repairs where emh has failed to meet its obligations. Tenants & residents may be required to provide evidence of any subsequent costs to ensure the correct level of compensation is applied.
- 4.4 **Discretionary Payments** - Poor complaints handling, delays in providing our services such as repairs, failure to provide a service that we have charged for, temporary loss of amenity(ies) and failure to meet our targets response time, such as missing a repair appointment where we have failed to attend.
- 4.5 **Goodwill Gesture** - a payment we make to a complainant as an expression of goodwill aimed at resolving a complaint, but where we do not accept liability for any financial loss to the customer because of the matter complained about. This can include, but is not limited to, vouchers, flowers, and chocolates.

## Non-payment of compensation

- 5.1 EMH will not consider compensation when:
  - ▶ the loss or damage is the fault of the tenant
  - ▶ emh do not have the contractual responsibilities for repairs
  - ▶ colleagues/contractors cannot gain access to carry out a repair by emh

- ▶ service failure is due to extreme weather conditions e.g., flooding
- ▶ the service or facility is unavailable because of severe weather conditions or other actions outside our control
- ▶ evidence of the damage to tenant's personal property or goods is not available
- ▶ the loss or damage arises from an alteration or repair to the property that the customer has carried out or arranged themselves (e.g. an incorrectly installed shower)
- ▶ the loss or damage is the fault of another tenant or neighbouring occupier (e.g. their leaking washing machine)
- ▶ the loss or damage is due to acts of negligence by a third party (e.g. a contractor not acting on our behalf)
- ▶ fire or floods have damaged tenants' belongings and we have acted promptly to repair and make safe the house after the initial report (tenants are advised to purchase contents insurance)
- ▶ all statutory and contractual obligation have been fulfilled
- ▶ tenants & residents home contents are lost, stolen or damaged through no fault of emh
- ▶ damage has been caused from a leak or similar from an adjacent flat/communal area where we have attended and repaired within a timely manner
- ▶ we are not notified of the damage within three working days of it occurring (to allow for inspection)
- ▶ damaged items have been disposed of by the tenant before ten working days has elapsed since notification of such damage

All cases should be reviewed individually, and discretion can be exercised by the appropriate manager.

## Calculating Compensation

6.1 See Appendix 2

## Our Remedies

- 7.1 In some circumstances it may be appropriate to offer monetary compensatory payments to tenants, as opposed to a goodwill gesture, when a more serious complaint has been made and/or there has been a significant lack of action or service provision that has caused significant distress or inconvenience.
- 7.2 The need to make discretionary compensation payments may arise via external arbitration, such as complaints that have exhausted our internal process and an external arbitrator (eg the Housing Ombudsman) recommends payment of a certain amount in order to resolve the issue.



- 7.4 Service Managers or Heads of Service should determine the level of discretionary compensation paid to tenants in circumstances where a goodwill gesture is not sufficient, but the complaint/issue has not required external arbitration. Refer to Appendix 1 for guidance on awarding discretionary awards.
- 7.5 There may be situations where damage is caused by emh representatives to resident's property or belongings. Whilst residents are encouraged to obtain contents insurance, we will offer compensation to cover the cost of damage caused. Evidence must be provided, and the resident should provide quotes for the amount they are claiming. Damage caused more than £500, along with personal injury, may be covered by our liability insurance.
- 7.6 Any damage caused by contractors or agents of emh should be covered by their third-party liability insurance (which is a mandatory requirement for all contractors working for emh).
- 7.7 emh will not pay discretionary compensation for damage/distress caused by contractors working on behalf of developers, in the case of repairs requests carried out within the defects period of new homes. However, the Development Department of emh will still be liable to pay compensation on behalf of the housing provider organisations within emh, under Right to Repair, if repairs are carried out late within the defects period.
- 7.8 The cost of compensation payments will be met from the tenant compensation budget.
- 7.9 Payments will be credited to the rent account where there are arrears. Refer to section 3.5 above.
- 7.10 Claims for compensation can be received in any format from tenants & residents.

## Customer Responsibilities

- 8.1 We encourage our customers to take out contents insurance to cover their belongings and decoration against accidental damage, loss, fire, or flood.
- 8.2 In our efforts to treat all our customers fairly, customers must provide emh and our insurance company with the relevant evidence when claiming compensation for damages to property, such as:
  - ▶ Proof of ownership and the value of the lost or damaged item. For example, photos, instruction booklets or receipts
  - ▶ Evidence of the damage. For example, photos of damage
  - ▶ Written estimates of repair costs
- 8.3 Customers will need to give us, or our contractors, access to, or allow inspection of the damaged property.
- 8.4 If property is damaged customers must notify us within three working days and not dispose of damaged items within the next 10 working days
- 8.5 Without relevant evidence, we may be unable to deal with a customer's request for compensation or be unable to pay the claim in full.



## Claims

- 9.1 Compensation claims should be made as close as possible to the date of the incident taking place, but no later than 20 working days.
- 9.2 When an offer of compensation is made, we ask our customers to respond within 28 days.
- 9.3 Once we receive a customer's acceptance of compensation, we will aim to make the payment within 28 days via BACS. If the customer is in arrears, and the arrears are not due to be paid by Housing Benefit or Universal Credit, we will usually credit any compensation or other payments to their rent account.
- 9.4 If we do not receive a customer's final response within 6 months, we will withdraw the offer and close the claim.

## Monitoring and Review

- 10.1 The Communities team and the Property Services team will monitor the implementation of the policy and provide updates to reflect any future changes in policy.
- 10.2 A log of compensation payments made will be kept and monitored by the Complaints Team.
- 10.3 This Policy will be reviewed every three years or following significant legislation or regulatory change.
- 10.4 The review is the responsibility of the author.

## Associated Documents and Links

- ▶ Decants Home Loss & Disturbance Policy (emh)
- ▶ Complaints Policy (emh)
- ▶ Repairs and Maintenance Policy (emh)
- ▶ Tenant Involvement and Empowerment Standard (Consumer Regulation)
- ▶ Grievance Policy and Procedure (emh group)
- ▶ Data Protection Policy (emh group)





**Appendix 1** – The Housing Ombudsman Remedies Guidance below provides the following bands of compensation for distress and inconvenience:

<b>Impact</b>	<b>Lower Band</b>	<b>Middle band</b>	<b>Top Band</b>
<b>Situation</b>	Remedies in the range of these amounts maybe used for instances of service failure resulting in some impact on the complainant. Examples include repeated failures to reply to letters or return phone calls or incorrectly addressing correspondence (so as to cause offence/upset, but not a breach of data protection requirements).	Remedies in the range of these amounts maybe for cases where there has found considerable service failure or maladministration, but there may be no permanent impact on the complainant. Examples include a complainant repeatedly having to chase responses and seek correction of mistakes, necessitating unreasonable level of involvement by that complainant or repeated failure to meaningfully engage with the substance of the complaint, or failing to address all relevant aspects of complaint, leading to considerable delay in resolving complaint	Remedies in the range of these amounts are used in recognition of maladministration/ severe maladministration that has had a severe long-term impact on the complainant. Remedies in this range will be appropriate when there has been a significant and serious long-term effect on the complainant, including physical or emotional impact, or both.
<b>Authority</b>	Complaints Resolution Advisor & Service Manager	Service Manager & Head of Service	Director
<b>Figure</b>	£50 - £250	£250 - £700	Over £700
<b>Budget</b>	Compensation Budget	Compensation Budget	Compensation Budget

The following factors should be considered before a figure is decided:

- The severity of the distress
- The length of time involved
- The number of people affected
- The vulnerability of the complainant(s) and whether the distress caused is more severe in comparison to others and identify if the impact is worsened through disability, old age, or the presence of young children.
- Any available professional opinion about the effects on the complainant(s)
- Any recommendations made by third party external arbitrators



## Appendix 2 – Compensation Matrix

<b>Business Area</b>	<b>Reason for Payment</b>	<b>Value/Calculation</b>
<i>All</i>	<b>Loss of service charge facilities</b>	Refund service charge + 10% for each day without service
<i>All</i>	<b>Failed appointment -</b> where we have failed to keep an agreed appointment or attend within the agreed timescales without attempting to advise the customer in advance.	£10 per appointment up to a maximum of £50
<i>All</i>	<b>Room decoration – Substantial</b> Emh will only re-decorate rooms after works where the original decorations have been substantially affected.	£80 per room (in the event of any decorations damaged because of negligent works emh will arrange for any required making good works to be carried out at our cost)
	<b>Room decoration – Partial</b>	£40 per room
<i>All</i>	<b>Total loss of mains water</b> – where it is emh’s responsibility	£10 per day
<i>All</i>	<b>Total loss of power</b> – where is it emh’s responsibility and not part of planned maintenance	£10 per day
<i>All</i>	<b>Cost of food additional food while cooking facilities are unavailable</b>	£15 per adult £10 per child per day
<i>All</i>	<b>Unable to use the following rooms</b> <b>Kitchen</b> <b>Bathroom</b> <b>Bedroom</b> <b>Living room</b>	25% of the weekly rent for each day after 48 hours 25% of the weekly rent for each day after 48 hours 20% of the weekly rent for each day after 48 hours 10% of the weekly rent for each day after 48 hours
<i>Leasehold</i>	<b>Wrong advice given</b>	Low impact £50 Significant impact £100
<i>General needs</i>	<b>Time Taken for Repair to completed</b>	5 working days past due date £50 20 working days past due date £100 40 working days past due date £180 60 working days or above past due date £250
<i>All</i>	<b>Accidental damage caused by emh or its contractors</b>	Reimbursement of costs to replace