

Policy

Compensation

Date authorised	17 September 2019
Review date	2022

1. Introduction

1.1 Rosebery is committed to providing high quality services, to all of its customers. However, it recognises that there will be instances where Rosebery has failed to meet service standards and our customers may be inconvenienced. In such circumstances customers may be offered compensation where appropriate and in line with this policy.

2. Purpose

2.1 This policy sets out the provision for compensation to be made to customers where they have experienced financial loss or inconvenience due to service failure, poor performance or unavoidable disruption.

3. Definition

3.1 Whilst this policy aims to treat customers fairly who have incurred a financial loss, Rosebery is keen to keep costs within annual budgets and avoid paying out excessive amounts in compensation. Rosebery, therefore have an expectation that its customers will take up home contents insurance and compensation will only be paid for damage or loss of furniture or personal property in exceptional circumstances.

3.2 Compensation under this policy is defined as:

- A financial settlement or reimbursement in lieu of a clear, definable and measurable loss or:
- A financial payment or an offer of something more tangible as an apology for inconvenience incurred

The policy sets out the conditions under which such payments may be warranted and includes:

- General claims for compensation
- Redress in relation to formal complaints
- Compensation for any loss of a room, amenity or service
- Compensation for delays in carrying out repairs

- Making good decorations and/or fixtures
- Compensation for loss or damage to personal possessions (not a substitute for residents own home contents insurance)
- Compensation for improvements carried out by tenants which have been approved in writing by Rosebery
- Home loss and disturbance payments

4. Scope

- 4.1 This policy applies to Rosebery’s customers including tenants, leaseholders and shared owners.

5. Background

- 5.1 The Compensation policy provides staff, customers and stakeholders with Rosebery’s approach to compensation and may form part of a formal complaint. The policy is supported by clear compensation procedures.

- 5.2 This policy replaces any former compensation policy.

6. Objective

- 6.1 The objective of this policy is:

- To provide guidance on the legal and regulatory requirements on the payment of compensation in certain prescribed circumstances.
- To provide guidance to ensure where payment is discretionary, consistency and fairness in assessing compensation
- To provide guidance to staff when assessing compensation claims

7. Policy principles

- 7.1 This policy details the circumstances under which compensation will be considered and the process for determining any amount of financial or non-financial compensation to be offered.

- 7.2 There are two forms of compensation that can be offered to our customers, payments or goodwill gestures which we choose to make and payments that we are obliged to consider:

1. Discretionary payments.

- 1.1 Goodwill – All staff are empowered to make small, goodwill gestures, where service failures have occurred, even if no compensation claim has been received, to a maximum value of £30.00. In exceptional circumstances the Customer Experience Team Leader can approve goodwill compensation payments up to £500. Payments in excess of £500 must be approved by a Head of Service or Director.

- 1.2 Service failure – Rosebery will consider and investigate claims for compensation relating to service failure, loss of facilities, redecoration or loss or damage to personal effects and make a decision as to the form of redress that will be offered. Compensation will be proportionate to the inconvenience caused and

payments made will be in 'full and final settlement'. Guidelines for the calculation of compensation can be found in the appendix 1.

- 1.3 Compensation may be considered when repairs that Rosebery or its assigned contractor are responsible for are not completed and the tenant is unable to use all the facilities in their home.
- 1.4 If the repair is a result of misuse by the tenant, a member of their family or a visitor, no compensation will be payable. If a service failure is a result of something which is beyond Rosebery's control, for example, a loss of gas or electricity or as a consequence of extreme weather, no compensation will be considered.
- 1.5 Loss or damage to personal property or decoration – Rosebery or its assigned contractor will accept responsibility for any unreasonable damage to a customer's decoration, or loss or damage to personal property, where this cannot be reasonably expected to be covered by the customer's own insurance and irrespective as to whether they have chosen to take out insurance or not, resulting from action for which Rosebery is responsible and where such damage could or should have been avoided.
- 1.6 In cases where there is building failure and this is not covered by the customer's own insurance, Rosebery's liability for damage to the customer's possessions will depend upon whether the repair service or assigned contractor has been at fault in some way.

2. Statutory compensation.

- 2.1 Home loss payments may be made to customers who have lived in their property for a minimum of twelve months and are required to move home permanently as a result of redevelopment or demolition of their home. If a resident does not qualify for this compensation automatically the Head of Housing and Customer Experience has authority to make a discretionary payment.
- 2.2 Disturbance payments – may be made to tenants who are required to move to another property temporarily.
- 2.3 Right to repair – the right to claim compensation under the Right to repair scheme if certain qualifying repairs are not carried out within prescribed timescales.
- 2.4 Resident improvements – customers with secure, assured and five year fixed term assured shorthold tenancies, who have completed 'qualifying improvements' after 1 April 1994 and their tenancy is ending may be entitled to compensation for those improvements. Compensation will only be payable if permission for the works was given and the work has been carried out to an acceptable standard. Compensation will be calculated based on the original cost and life expectancy of the improvement. A list of qualifying improvements and life cycles can be found in the appendix 1.

8. Making a claim

- 8.1 Claims for compensation should be made within 28 days of the incident or damage occurring, an exception will be made in the event of building failure.
- 8.2 Claims for compensation will be dealt with promptly, sympathetically, efficiently and effectively. We will endeavour to resolve claims within one month of receipt.
- 8.3 Rosebery will offer discretionary compensation on a first refusal basis; if a customer does not accept compensation when initially offered they cannot accept or request it at a later date. We may make acceptance of compensation contingent on resolution of a complaint, claim or dispute as 'full and final settlement'. In such circumstances proposed settlement will be made clear to the customer at the point of offering compensation.

9. Making payment

- 9.1 Any offer of compensation will be made in writing and a customer will be expected to notify Rosebery of their acceptance within 21 days of receiving the letter.
- 9.2 All compensation payments will be made to the customer within 28 days of Rosebery receiving the signed acceptance of the offer. Where compensation has been awarded and there are rent arrears or other money owing in respect of the tenancy the payment will be credited to the customers rent account, otherwise payment will be made to the customer using their preferred bank account. This will usually be the case unless doing so is considered to rise to financial hardship where compensation pertains to expenses incurred by the customer.
- 9.3 Compensation may be by way of a rent reduction or payment of equivalent value, any arrears on the property will be deducted from the compensation. In certain cases this may not be appropriate if it impacts on the universal credit payments that a tenant is receiving.
- 9.4 Rosebery is committed to providing high quality services, feedback is welcomed as a way of demonstrating that Rosebery is open to challenge, ready to respond and will to learn and improve.

10. Appealing a decision

- 10.1 The claimant can appeal against the rejection of a claim for compensation or the level of compensation awarded by making a formal complaint through the complaint's procedure.

11. Equality and diversity

- 11.1 Rosebery believes that equality and diversity are of fundamental importance to all the work it does, and regardless of age, gender, beliefs, ethnic origin, disability or sexuality, everyone deserves to be treated with respect. Rosebery treats everyone it houses, serves, employs and works with fairly and encourages others to do the same.
- 11.2 In meeting the aims of this policy, Rosebery will provide information that is clear, accessible and in the appropriate format such as translated into

another language, large print or audio tape. Where appropriate, employees will provide support to residents to help them make a claim for compensation and/or redress, such as helping with completing any paperwork. This policy provides assurance that compensation is offered and calculated in a fair and consistent way.

12. Training

12.1 Rosebery will provide all staff responsible for implementing this policy with comprehensive training as required.

13. Monitoring

13.1 Rosebery will monitor compensation requested, refused and awarded, the form and level of compensation and reasons for this. We will report our performance to our Executive Management Team.

Appendix 1: Compensation payments

The following guidelines are for the calculation of compensation for loss of service facility and failure:

Service failure or loss	Compensation	Time period
Communal cleaning	Refund of service charge	No service 14 days
Grounds maintenance	Refund of service charge	No service 14 days
Community Alarm (HFOP)	Refund of service charge	No service 48 hours
Lift	Refund of service charge	No service 48 hours
Door Entry	Refund of service charge	No service 7 days
Shared heating and hot water	Refund of service charge	1 October to 1 May No service 24 hours
No cold water	50% rent reduction	No service 48 hours
No cooking facilities	30% rent reduction	No service 48 hours
No sanitary provision	30% rent reduction	No service 48 hours
No heating	10% rent reduction	1 October to 1 May No service 72 hours
No hot water	10% rent reduction	1 October to 1 May No service 72 hours
No electricity supply	50% rent reduction	No service 48 hours
Failure to keep to published or advise timescale when dealing with a complaint	£10	
Failure to keep to a booked appointment or to cancel or postpone with at least 24 hours' notice	£10	
Failure to complete repair within published timescale	£10	

Compensation for loss of use of rooms will be calculated as a % reduction of the net rent as follows:

Rooms out of use							
Size	Kitchen	Bathroom	Living	Bed 1	Bed 2	Bed 3	Bed 4
1 bed	30	30	25	25			
2 bed	30	30	20	20	20		
3 bed	30	30	20	20	20	15	
4 bed	30	30	20	20	20	15	15

Compensation may be paid for the following qualifying improvements:

Qualifying improvement	Life expectancy (Years)
Bath or shower	10
Wash-hand basin	10
Toilet	10
Kitchen sink	10
Storage cupboards in bathroom or kitchen	10
Work surfaces for food preparation	10
Space or water heating	10
Thermostatic radiator valves	5
Insulation of pipes, water tank or cylinder	10
Loft insulation	20
Cavity wall insulation	20
Draught proofing of external doors or windows	8
Double glazing or other external window replacement or secondary glazing	20
Rewiring or the provision of power and lighting or other electrical fittings including smoke detectors	15
Any object which improves the security of the house, excluding burglar alarms	10