

COMPENSATION POLICY



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1. BACKGROUND AND PURPOSE

- 1.1. We aim for excellent customer service but realise that sometimes our actions may cause inconvenience or losses to residents. When this happens, we try to ensure that residents are not disadvantaged through compensation and remedies.
- 1.2. This policy takes into account the Housing Ombudsman's guidance on remedies when assessing compensation. It has been written in line with the Housing Ombudsman's principles of good practice and we intend to update it as the Housing Ombudsman's advice changes. As a minimum, we will review this policy every 3 years.
- 1.3. This policy explains when compensation, refunds or reimbursement payments are awarded. It has been designed to work alongside Cornwall Housing's Complaints and Customer Feedback Policy to resolve complaints fairly and consistently. However, it can be used to assess the need for compensation when there is not an open complaint where a manager judges it to be necessary.
- 1.4. The aims of this policy are:
 - To provide a consistent, fair and reasonable way of paying compensation.
 - To make the process of assessing compensation as simple as possible, to minimise customer effort and ensure that requests are assessed and paid quickly and efficiently.
 - To enable practical solutions to be explored to address complaints and issues on a case-by-case basis.
 - To ensure compensation paid helps inform our learning and makes our services better.
- 1.5. The approach to compensation and amounts paid are reported to CHL's MRCs (Member Responsible for Complaints), CHL's Board and Tenant Forum on a quarterly basis via the Complaints Reports.
- 1.6. This policy will be reviewed after a maximum of 3 years, but may be sooner if guidance from the Housing Ombudsman is updated prior.

2. WHEN DO WE PAY COMPENSATION?

- 2.1. Most complaints and issues can be dealt with by:
 - making an apology, verbally and/or in writing.
 - reconsidering a decision which has not been made in line with our policies.
 - fixing things that have broken quickly and efficiently.
- 2.2. If there is a service failure, we may also pay compensation. Service failures include things like:
 - damage to property and belongings due to our negligence.
 - inconvenience caused by our actions in meeting our responsibilities.
 - failure to carry out repairs within set timescales.
 - failure to carry out repairs in a satisfactory manner.



- failure to diagnose the correct repairs required.
- loss of services provided by us to a resident's home, such as heating, hot water, or use of all rooms.

3. WHEN COMPENSATION MAY NOT BE CONSIDERED

3.1 Sometimes it will not be appropriate for CHL to pay compensation. This includes the circumstances below:

- Delays to repairs where the resident seeking compensation has failed to provide reasonable access.
- Delays to repairs due to the need to get spare or specialist parts that we would not expect a contractor to have in stock and where residents have been kept informed of the timescales involved.
- Extra work is required, and the contractor has kept residents informed of the timescales involved.
- Where the fault is caused by a third party or is something that CHL is not responsible for, and we can demonstrate that we have taken all reasonable action to resolve the matter e.g. leaks from a leaseholder's plumbing into the flat below.
- Claims for loss of earnings to provide access for repairs or other services.
- Claims from leaseholders for loss of rental income.
- Claims from sub-tenants of leaseholders. Any claims must be made by the leaseholder.
- Circumstances beyond our control e.g. storm damage or flooding from extreme weather.
- Delayed repairs to the communal areas of a building, except where the resident can demonstrate an impact on them. e.g. lift breakdown where there is no access to an alternative lift and a resident has restricted mobility.
- Damage caused to a resident's possessions due to negligence on behalf of CHL or its contractors if the cost is substantial. These claims should be submitted as public liability claims.

4. WHEN DOES THIS POLICY APPLY?

- 4.1. This policy is limited to CHL's tenants and leaseholders (residents) only. Where a resident has an authorised advocate recognised by us as acting on their behalf, any compensation awarded will be paid direct to the resident and not to the advocate.
- 4.2. Payments will not be made where it is identified that the matter does not fall within the CHL's responsibility. Examples include tenant and leaseholder repair obligations.
- 4.3. Compensation is not a replacement for home contents insurance. Tenants and leaseholders are responsible for arranging their own contents insurance for accidental damage to their belongings.
- 4.4. Claims for compensation due to personal injury or a new/worsening health concern resulting from a service failure, fall outside the scope of this policy. To pursue such



claims CHL would advise that residents seek their own legal advice or request a claim form from the Complaints Team, which should be completed and returned to Cornwall Council.

- 4.5. Where a debt is owed to CHL (e.g. arrears or service charges), compensation payments will be offset to pay the debt. Any credit remaining can be refunded to the resident. This does not affect reimbursement payments for costs incurred by the resident.
- 4.6. Claims for breach of GDPR (data protection law) or suspected GDPR fall outside of the scope of this policy. These claims should be submitted to the Information Commissioner's Office at [Information Commissioner's Office](#).

5. GUIDING PRINCIPLES

- 5.1. When assessing compensation payments, we will consider what impact a service failure has had on the resident and their household, considering any relevant vulnerabilities.
- 5.2. A resident must have reported the problem and we must have agreed to deal with it.
- 5.3. The compensation needs to be appropriate and proportionate to the problem the resident has suffered. It should, as far as possible, put a resident in the position they would have been in if the service had not broken down.
- 5.4. Where this is not possible, because of the passage of time or events, financial compensation may be the only option.
- 5.5. We will consider a resident's views when making a decision, but the outcome must be consistent with this policy.
- 5.6. If a resident owes any money to us, we reserve the right to use any compensation payments to reduce the resident's debt.
- 5.7. We will consider any vulnerabilities within the household which may have made it harder to cope compared to others. It is therefore important that residents are asked for this information as part of their complaint or request for compensation.
- 5.8. Examples of vulnerabilities where a resident may have been significantly impacted and where additional compensation maybe awarded because of the impact caused can include:
 - Poor management of anti-social behaviour where a complainant has a mental health condition which may make the situation harder to cope with.
 - Residents with young children (for example an extended period in temporary accommodation because of repair delays) may cause significant inconvenience and upset.
 - Delayed repair response/completion may have a disproportionate impact on a resident because it impacts a health condition/disability.

6. TYPES OF COMPENSATION PAYMENTS

- 6.1 There are two types of compensation payments that we make - statutory compensation and discretionary compensation.



6.2 Statutory Compensation (mandatory)

These are payments which CHL is legally obliged to make and where we have no discretion over the amounts awarded.

6.3 They include payments such as disturbance payments, home loss payments and improvement payments. The legislation which permits these payments are:

- Land Compensation Act 1973.
- Housing Act 1985.
- Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994.
- Housing Act 1988.
- Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994.

6.4 These payments are initiated by CHL and residents do not need to submit a claim.

6.5 Discretionary Compensation

These payments are set out in the Housing Ombudsman's guidance on complaint remedies, and we make them to compensate for instances of service failure, loss or inconvenience.

6.6 We offer standard amounts for frequently occurring minor service failures which may not have had a significant impact on a resident such as a missed appointment. These are detailed in Table A in Appendix A – Discretionary Payments Framework.

6.7 We offer higher level payments when the impact has been more significant. We classify these payments as low, medium or high impact and we determine the compensation amount based on these levels. These are detailed in Table B in Appendix A – Discretionary Payments Framework.

6.8 Refund and reimbursements

Quantifiable losses

6.9 These are discretionary payments CHL can make where a tenant or leaseholder can demonstrate actual loss. In these circumstances, costs must have been reasonably incurred and evidence of loss should be provided.

6.10 In these circumstances we consider if there has been an actual, evidenced financial loss incurred as a direct result of service failure. We then consider if we should compensate the resident for all or part of this loss, taking into account the specific case.

6.11 Examples include:

- A partial refund of rent in respect of areas of a property that are deemed uninhabitable for a prolonged period.
- Refund of rent in respect of a garage that is deemed unusable for an extended period, where an alternative could not be provided.



- Refund of costs incurred where the CHL has failed to respond within a reasonable time to repairs.
 - where money is due to a resident but has not been paid – for example, rent overpayments or works which a landlord had previously agreed it would pay for
 - costs which have been reasonably incurred by a resident, which would not have been necessary if the service failure had not occurred – for example, payments for additional heating when the landlord has failed to repair this or provide any alternative means of heat; or decorating costs after repairs where ‘make good’ works have not been adequately completed.
- 6.12 Damage to possessions resulting in substantial losses including furniture, clothing and other items within a home or garden will not usually be paid through the compensation policy and should be claimed by emailing the Complaints Team with details to assess the possibility of an insurance claim.
- 6.13 The exception to the above is when items have been damaged due to ongoing damp and mould, where CHL has accepted responsibility and the resident is able to provide photographic or video evidence of the damage. In these circumstances, CHL will not guarantee a new for old replacement, but rather seek to reimburse the resident for the cost of the item at its present value. Proof of purchase will strengthen a claim in these circumstances.
- 6.14 If residents are unable to provide photo or video evidence due to a lack of technology or knowledge of technology, CHL will arrange a visit by an appropriate member of staff to assess the damages in person. Where photos and videos are of poor quality or where agreement cannot be reached as to the extent of damage using photos or videos, a member of staff will arrange an in-person visit so any damages can be assessed and appropriate evidence collected by CHL.
- 6.15 CHL will not consider including interest in the calculation for refund or reimbursement.
- 6.16 CHL will not refund or reimburse residents for the cost of independently obtained advice services, such as legal advice or structural surveys. CHL operates a complaint policy in line with the Housing Ombudsman’s Complaint Handling Code and therefore this type of advice is not necessary in order for action to be taken to resolve a resident’s issues. Should a resident wish to commission such services, they do so at their own expense.

Unquantifiable losses

- 6.17 Sometimes it is apparent that there has been a significant financial loss to the resident as a result of a service failure, but it is not always possible to quantify this. Whilst it is generally reasonable to ask a resident to provide evidence of the costs they have incurred, there may be occasions where no such evidence is available.
- 6.18 Where CHL is satisfied that, on the balance of probabilities, a resident has incurred costs but has not been able to evidence this and it is not possible to provide a



reasonable estimate, CHL may award compensation in recognition of the fact that the resident has incurred costs that would not have arisen had the service failure not occurred. This is entirely at the discretion of the manager or complaint investigator and must be explained to the manager approving the payment.

7. REQUESTING COMPENSATION

- 7.1 The issue of compensation is assessed as part of the complaints process and is one of the remedies complaint investigators are able to offer. All complaint investigating officers will consider whether it is appropriate to pay compensation and will put the decision in writing in the complaint response. This applies to Stage 1 and Stage 2 of the complaints process. Residents do not need to escalate their complaint to Stage 2 for compensation to be considered.
- 7.2 When a resident has not made an official complaint but wishes to seek compensation which stems from a service failure, they will be asked to provide the details of what went wrong and what the impact has been. This can be done informally with the member of staff dealing with the issue or formally through the complaint process, in which case the issue will be investigated in line with the Housing Ombudsman's Complaint Handling Code.

8. AUTHORISING AND MAKING PAYMENTS

- 8.1 When a sum of compensation has been agreed between CHL and a resident, the payment must be approved by a manager.
- 8.2 When compensation has been agreed as part of the complaints process, the Senior Complaints Officer, Complaints and Disrepair Manager or Head of Customer Services and Engagement will authorise the payment, as appropriate depending on the amount.
- 8.3 When compensation has been agreed by a member of staff outside of the complaints process, the relevant staff member must gain authorisation from their line manager or head of service as appropriate depending on the amount of compensation agreed, and arrange for payment to be made.
- 8.4 CHL will only make compensation payments by BACS. Therefore, to receive a compensation payment residents must have a bank account. Payments will not be made to advocates or any other representatives unless in exceptional circumstances.

9. THIRD PARTY RESPONSIBILITIES

- 9.1 Where the service breakdown is mainly due to a third party, such as contractors, CHL will recover the compensation payments from them in line with individual contracts. All contracts between CHL and our contractors will include this condition.



10. DISAGREEMENTS WITH DECISIONS

- 10.1 Should a resident disagree with the amount of compensation offered, they will be asked to say why they consider the sum offered to be unfair. If the resident is able to demonstrate that CHL has not considered all the related information, then the amount offered will be reviewed.
- 10.2 If the resident remains dissatisfied with the offer and the compensation is part of a complaint resolution, they can ask for their complaint to be escalated to Stage 2 of the process in line with CHL's Complaints and Customer Feedback Policy.
- 10.3 If the resident remains dissatisfied with the offer at Stage 2 of the complaint process, they can refer the matter to the Housing Ombudsman for consideration.
- 10.4 The Housing Ombudsman contact details are:
- Website: www.housing-ombudsman.org.uk
 - Email: info@housingombudsman.org.uk
 - Phone: 0300 111 3000
 - Address: Housing Ombudsman Service, PO Box 1484, Unit D, Preston, PR20ET

11. DIVERSITY AND INCLUSION

- 11.1 CHL is committed to treating all people with fairness and respect. CHL aims to create an inclusive environment where people are treated with dignity, inequalities are challenged, and anticipate and respond positively to different needs and circumstances to enable individuals to achieve their potential and foster good relations within the communities CHL serves. CHL wants to be recognised as an organisation delivering fair, inclusive, accessible services and an employer and partner of choice.
- 11.2 When applying this policy, CHL acts sensitively towards the diverse needs of individuals and to reduce discrimination and harassment by making reasonable adjustments such as:
- eliminating discrimination – by providing support to those who need it and information in accessible formats and languages on request.
 - tailoring the policy to meet both the specific needs of the individual, including those with additional support needs, and the diverse needs of the wider community
 - advancing equality of opportunity – treating all tenants fairly
 - fostering good relationships – listening to customers and responding appropriately
 - compliant with all aspects of Equality & Diversity legislation, and specifically the Equality Act 2010.

12. REFERENCE DOCUMENTS

- 12.1 Complaints and Customer Feedback Policy



13. APPENDIX A – DISCRETIONARY PAYMENT FRAMEWORK

13.1 The tables below provide guidance on the likely maximum compensation value CHL will award in various circumstances.

13.2 This is based on the level of either CHL’s own responsibility or contractors’ responsibilities, as well as the level of impact the service breakdown has on the resident.

13.3 The term Cornwall Housing below includes any of our contractors.

Table A – Standard discretionary payments

| Service fault | Measured by | Compensation due |
|--|---|---|
| Missed appointment | Tenant report and ‘no access’ evidence unable to be provided by contractors | £20 per appointment |
| Repeated failure to carry out individual tenant’s minor repairs within timescale (qualifying repairs under the Right to Repair Scheme) | Tenant report and no contradictory evidence by contractors. Minor repair is one which is classed as emergency or urgent in the Repairs Policy | £10 plus £2 per day (up to a max of £50) for every day the repair is not done starting from the time given to tenant when they report the repair the 2nd time |
| Increased electricity costs due to use of a temporary heater | Failure to meet repair target timescales to fix heating – tenant report and no contradictory evidence from contractor | £2.50 per heater, per day after repair target timescales has passed |
| Increased electricity costs due to use of a dehumidifier | Failure to meet repair target timescales to fix heating – tenant report and no contradictory evidence from contractor | £3.50 per day, per dehumidifier |
| Lift failure (this is only paid where issue has impacted a resident’s individual circumstances and not applicable if a lift is unavailable due to vandalism) | Failure to meet repair target timescales to fix lift – tenant report and no contradictory evidence from contractor | £1 per day after 7 qualifying days |
| Late complaint response – up to 10 working days after deadline | Complaints team monitoring – response sent after initial or extension deadline | £25 per response |
| Late complaint response – 10+ working days after deadline | Complaints team monitoring - response sent after initial or extension deadline | £50 per response |

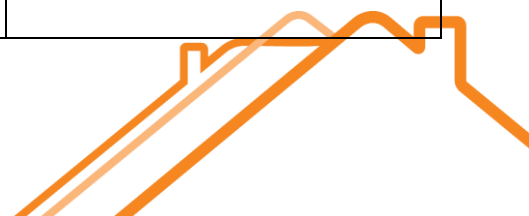


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|--|---|---|
| Complete loss of amenity for more than four days in winter (Oct-Mar), where the heating was provided by Cornwall Housing | Tenant report and no contradictory evidence by contractors | 12% of net weekly rent multiplied by qualifying days without heating and hot water, or 8% of net weekly rent multiplied by qualifying days without heating only |
| Loss of kitchen/ bathroom/only WC for more than two days | Unable to use the room for purposes intended and no contradictory evidence by contractors | In full loss of room cases, 50% of net weekly rent multiplied by qualifying days, or in partial loss of room cases (e.g. plastering one wall), 35% of net weekly rent multiplied by qualifying days |
| Loss of any other room for more than two days | Unable to use the room for purposes intended and no contradictory evidence by contractors | Net daily rent divided by total number of habitable rooms (inc. kitchens but not bathrooms), multiplied by the number of rooms lost, multiplied by qualifying days. |
| No water supply after 24 hours | Where supply has been broken as a result of service failure by Cornwall Housing | 25% of net weekly rent multiplied by number of qualifying days |
| Failure of communal TV aerial system | Fault caused by Cornwall Housing equipment and affects whole block | Equivalent daily cost of standard Sky package |

Table A – Discretionary compensation payment levels

The table below includes the following: consideration for time and trouble, inconvenience, stress, delays and emotional impact.

| Amount of compensation | Likely finding | Impact on resident | Circumstances |
|------------------------|-------------------------------------|--|---|
| £0-£50 | Not upheld or minor service failure | None evidenced. Minimal evidenced or for a very short period of time. | Where no fault or liability of CHL found. Where delays were due to access issues or out of CHL's control. Where delays were minimal. Where issues were put right as part of the complaint remedy, such as repairs completed. |
| £50-£100 | Upheld - Service failure | Low impact Minimal short duration May not have significantly affected the overall outcome for the resident Might include distress and inconvenience, time and | Minor failure by CHL in the service it provided and it did not appropriately acknowledge these and/or fully put them right. |



| | | | |
|-------------|---------------------------------|---|--|
| | | trouble, disappointment, loss of confidence, and delays in getting matters resolved. | |
| £100-£500 | Upheld - Medium service failure | Medium impact No permanent impact Medium duration Will include an element of distress and inconvenience, time and trouble, disappointment, loss of confidence, and delays in getting matters resolved. | There was a failure which adversely affected the resident. CHL failed to acknowledge failings and/or has made no attempt to put things right. Or CHL acknowledged failings and/or made some attempt to put things right but failed to deliver promises. The redress needed to put things right is considerable. |
| £500-£1,000 | Upheld - Major service failure | High impact Some long-term or permanent impact Long duration Will include distress and inconvenience, time and trouble, disappointment, loss of confidence, and delays in getting matters resolved. | There was a failure which had a significant impact on the resident. CHL failed to acknowledge failings and/or has made no attempt to put things right. Or CHL acknowledged failings and/or made some attempt to put things right but failed to deliver promises. The redress needed to put things right is substantial. |

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