

## Compensation Policy

### 1.0 POLICY SUMMARY:

- 1.1 This policy sets out the grounds and basis upon which compensation may be awarded in relation to service failure and statutory obligation. This policy is applicable to all customers of Stonewater; where differences in contractual rights indicate differential arrangements may be appropriate, this has been noted in the policy.
- 1.2 Stonewater is committed to providing a high quality service, but recognises that there may be occasions when our service fails or falls below our published standards. If we fail to meet the level of service set out in our published standards, our staff are empowered to put things right and non-financial remedies are usually appropriate. In some circumstances paying compensation may be appropriate to cover loss, inconvenience caused and/or as a gesture of goodwill where appropriate.

### 2.0 POLICY OBJECTIVES:

- 2.1 This policy provides a robust framework that allows for the consistent, justifiable and transparent decision making in circumstances when paying compensation may be appropriate.
- 2.2 It is recognised that not all circumstances can be anticipated, and therefore will be occasions when discretion is required.
- 2.3 Stonewater will adhere to any compensation recommended by the Housing Ombudsman Service.

### 3.0 DEFINITIONS:

- 3.1 Statutory obligations are those obligations that do not arise out of a contract (tenancy agreement), but are imposed by law.
- 3.2 Discretionary payments are those which are made in line with the policy outlined below but do not arise out of contract (tenancy agreement) and are not imposed by law.
- 3.3 Service failure is where the service delivered does not meet the standards we have outlined in our policies and procedures.
- 3.4 A decant is where one or more individual customers need to be moved to alternative accommodation. This may occur in an emergency such as a fire or flood or when a property is in need of major repairs, refurbishment or improvement. Decants may also be necessary when a property needs to be rebuilt or disposed of. A decant can either be for a temporary period of time or a permanent move but specifically excludes customers moving due to transfers, mutual exchanges or choosing to end their tenancy.
- 3.5 Unusable and uninhabitable are defined as '*by continuing to occupy, an imminent health and safety risk is posed to the occupant(s)*'.

#### 4.0 POLICY SCOPE:

4.1 Stonewater will consider compensation for:

- All statutory obligations – applies to customers in rented properties unless stated.
- Discretionary payments – applies to all customers including those who live next to a property owned or managed by Stonewater.

4.2 It does not include customer organisations with whom we have a business contract to provide a service. Service failure in such cases will be dealt with under the terms of the contract.

4.3 Stonewater will not pay compensation for an event that occurred more than 6 months prior to the matter being reported to Stonewater; unless there are mitigating circumstances. (For statutory compensation payments see the relevant policy as claim periods vary).

#### 5.0 DISCRETIONARY COMPENSATION PAYMENTS:

5.1 This policy does not include service failures which are:

- The fault of a third party such as a utility company – electricity, water, gas, but not including our contractors.
- Beyond our control e.g. severe weather or where we have advised customers in advance that a service will not be available;
- Insurance claims relating to financial loss, damage to third party property or personal injury which will be dealt with in accordance with our insurance procedures or contract preliminaries;
- Subject to tribunal or legal proceedings;
- Where the loss is due to negligence by a customer, their family or visitors;
- Where the customer has denied access to effect a repair;
- Where the customer has unreasonably prevented a resolution;
- For goods stored inappropriately, for example in a loft, garage, carport or shed.

5.2 **Communal Services** – Where customers pay for a support service or service to a communal area, and we have failed to provide that service, we will recompense customers with a refund proportionate to the amount of time for which they were without the service. However, no payment will be made to a Leaseholder, as their service charges are variable this will be adjusted accordingly.

5.2.1 No payment will be made for service failure if the total amount payable is less than £10.

5.3 **Loss of Rooms** (Rented customers only) – Where a household has lost the use of a room due to it being unusable\*, and the published repair times have been exceeded, we will offer a goodwill payment as a proportion of the weekly/monthly rent for the period during which the loss is experienced.

5.3.1 The amount of compensation payable will be determined in accordance with the table below:

	Deduction from Rent
Kitchen	30%
Bathroom	30%
Living Room	20%
Bedroom	20%

5.3.2 Should the property be totally uninhabitable\* then we will endeavour to find alternative accommodation for the occupant(s), and the rent will be suspended for the effected period. In these circumstances where the occupant(s) has/have to be 'decanted' a disturbance allowance is payable, as detailed within the decant policy.

5.4 **Loss of use of Facilities** (Rented customers only) – For loss of space or water heating, and customers have been provided with alternative sources of heating and/or hot water, the customer will be compensated at £5 per day for the difference in the running costs between their usual hot water/heating system and the temporary source provided.

5.4.1 Compensation is only payable if the fault has not been rectified within the published repair timescale and will be calculated from the day after the target date, and up until the date the repair is completed.

5.5 **Damage to belongings** – Where damage to personal belongings has occurred due to alleged negligence on Stonewater's behalf the customer should be advised to submit a claim through their own contents insurance; any policy excess amount paid will be recovered as part of the claim. If the customer does not have contents insurance and the damaged goods are available for inspection, then a claim can be submitted to Stonewater which will be passed onto our insurers. Stonewater will only pay compensation when advised by our insurers that we are liable.

5.5.1 Should one of our Contractors cause damage due to proven neglect whilst undertaking repair works, and so as not to cause any unnecessary delay, Stonewater will pay the customer directly and the recover the amount from our contractor at a later date.

5.6 **Goodwill Payments** (All rented customers and leaseholders) these are discretionary payments that can be made solely as a gesture of goodwill.

5.7 **Loss of Earnings** (all rented customers) – Under the terms of our tenancy agreements, customers must allow access to their homes for repairs to be

carried out which may result in having to take time off work. Therefore we will not compensate for loss of earnings.

- 5.8 **Home-loss and Disturbance** – We will compensate where we have to move customers for major planned works or in an emergency. This includes discretionary disturbance payments for home loss. Further detail is available in our Decant Policy.



Decant Policy.pdf

## 6.0 STATUTORY COMPENSATION PAYMENTS:

- 6.1 **Tenant Improvements** – The Housing Act 1985 (Sections 99A and 99B) grants secure tenants the right to carry out improvements subject to Landlord consent. We grant this right to Assured tenants in their tenancy agreement. Further details are available in our Alterations and Improvements policy.
- 6.2 **Right to Repair** – Stonewater will comply with the Right to Repair provisions contained within the section 121 of the leasehold Reform, Housing and Urban development Act 1993. Further details are available on request.

## 7.0 OFFSETTING COMPENSATION AGAINST DEBTS:

- 7.1 Stonewater will offset compensation against debt in accordance with the following table and at the discretion of either the investigating officer or the Customer Feedback manager:

Compensation in respect of:	Off-Setting applicable
Loss of facilities	No
Damage to belongings by a contractor	No
Disturbance payment	No
Tenant Improvements	Yes
Service Failure	Yes
Goodwill Payments	Yes
Loss of Rooms	Yes
Statutory Home-loss	Yes

## 8.0 RIGHT OF APPEAL:

- 8.1 All rented customers and leaseholders have the right to appeal should they be unhappy with the compensation offered. An appeal must be made within 5 working days from the date of the decision letter

- 8.2 If compensation has been offered in response to a complaint, and the complainant remains unhappy with the compensation offered, the complaints procedure should continue to be followed. Further details are available in our complaints procedure.
- 8.3 In the case of Home-loss and Disturbance compensation payments rented customers and leaseholders have the right to appeal under the Landlord Compensation Act (1973) if they are unhappy with the compensation offered. Rented customers and leaseholders will be encouraged to use the complaints procedure in the first instance and will be advised that their next course of action is to contact the Lands Tribunal on exhaustion of our complaints process. Further details are available in our Decant policy.

## 9.0 RECLAIMING COMPENSATION:

- 9.1 Where contractually recoverable, all payments made by Stonewater to customers on behalf of our contractors will be claimed back from the contractor responsible.

## 10.0 TECHNICAL DATA:

Risk Assessment	This policy meets all legal and regulatory requirements
Value for Money	Procedures are set for issuing compensation and internal guidance has been created for colleagues in line with that issued by the Housing Ombudsman Service.
Consultation	CX Senior Management Team, Assets Senior Management Team, Customer Scrutiny Panel.
Cost. Budget & resources	Compensation payments made are notified to the Customer Feedback team who monitor spend and identify lessons learned from the cost of failure.
Strategic Group Director Leads	Sue Shirt/Patrick Chauvin
Responsibility for Implementation	Dean Ballard/Natasha Bedford
Date of Issue	December 2019
Date of Next Review	November 2022
Approved by Customer Experience Committee	November 2019
Performance Reporting & Tenant Scrutiny	Customer Experience Committee, Board, Divisional Management teams and Customer Scrutiny panel.

**11.0 AUTHOR & VERSION:**

Author	Dean Ballard
Title	Head of Customer Insight
Version	1.2
Date	05/11/19
Revision	0.4