

Midlands Rural Housing

Compensation Policy

March 2025

This policy is implemented by Midlands Rural Housing on behalf of four independent partner associations: Leicestershire Rural Housing Association, Northamptonshire Rural Housing Association, Peak District Rural Housing Association and Warwickshire Rural Housing Association. Midlands Rural Housing provides the full range of housing and management services for these four associations in line with a procedure agreement.

1.0 Introduction

- 1.1 This Policy sets out our approach to managing compensation.
- 1.2 We aim to provide a good quality service to our customers as set out in our customer promises. When we fail to meet set standards and our commitments to our customers, we will put this right as quickly as possible. The aim of this policy is to ensure that we have a fair and consistent approach to offering redress and awarding compensation when we haven't met our promises.

2. Policy objectives

- 2.1 To provide clear guidance for staff dealing with claims for compensation; addressing acknowledged failures in service delivery; and formal complaints.
- 2.2 To outline both the circumstances in which customers may be entitled to compensation and instances where we may wish to make discretionary gestures.
- 2.3 To promote consistency and ensure payments are fair and reasonable.
- 2.4 To ensure compliance with regulatory requirements relating to the payment of compensation for service failure.
- 2.5 To reduce exposure to financial risk or exploitation and ensure the compensation process is managed effectively by staff.

3. Scope

- 3.1 The Policy applies to all customers who live in our properties and/or receive services provided by us.
- 3.2 To ensure that we remain compliant with the Regulator and Housing Ombudsman's expectations.
- 3.3 Customers who are entitled to compensation but have outstanding debts, i.e. arrears, rechargeable repairs or other debts, payments offered will be deducted from any amount owing to us. If the payment is greater than the debt, any balance will be made payable to the customer. Unless the customer has incurred costs, which need to be repaid, i.e. higher energy costs are incurred due to our delay in resolving an issue.
- 3.4 This guidance should be read in conjunction with the Complaints Policy if dealing with compensation requests following a complaint.
- 3.5 This policy does not cover personal injury or damage to customers' belongings/property, but we 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. Customers' personal belongings are covered by their own contents insurance.
- 3.6 All compensation payments and goodwill gestures made by us are to the entire household and not separate individuals living in the property.

4. Our approach

- 4.1 This policy endeavors to ensure that compensation payments are fair and proportionate. Each case will be considered on its individual merits and discretion and common sense will be applied, whilst promoting consistency.
- 4.2 We will look at what is fair in all the circumstances of the claim and consider if it could be more appropriate to apologise and commit to a change in policy/procedure to improve the service.
- 4.3 Our compensation payments can be clearly set out in five categories. These categories include, but are not limited to the examples below:
- a. **Mandatory payments** – payments where there is a legal or legislative requirement to do so.
 - b. **Quantifiable loss payments** – increased heating bills due to a delay with a repair, takeaway meals, due to delays with kitchen installation, or for cleaning and carrying out repairs where we have failed to meet our obligations. Customers will be asked to provide evidence of any costs to ensure the correct level of compensation is applied. Any such costs must have been reasonably incurred and evidence of such loss must be provided. Where appropriate, any award will consider wear and tear, and compensation will not be paid on a new for old basis.
 - c. **Discretionary payments** – delays in providing our services; failure to provide a service that we have charged for; temporary loss of amenity(ies); failure to meet our targets response time; failure to follow policy and procedure; and unreasonable time taken to resolve a situation.
 - d. **Other remedies** – other actions may be taken to remedy a complaint. These can include practical actions (such as offering to undertake repairs or redecoration which would otherwise be a customer's responsibility) and gestures of goodwill (e.g. vouchers, chocolates, flowers).
 - e. **Home loss and disturbance payments** – home loss payments are awarded to customers who are required to permanently leave their home through no fault of their own, for example a transfer or permanent decant. Disturbance payments are made when required to move out temporarily.

5. Non-payment of compensation

- 5.1 We will not consider compensation when:
- ▶ we do not have contractual responsibilities for repairs.
 - ▶ colleagues/contractors cannot gain access to carry out a repair.
 - ▶ Service or facilities are unavailable and/or damage caused by circumstances beyond our control (e.g. pandemic, storm or flooding).
 - ▶ the service or facility is unavailable because of severe weather conditions or other

actions outside our control.

- ▶ evidence of the damage to a customer'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).
- ▶ loss or damage is the result of misuse or neglect by the customer or their visitors.
- ▶ this is in relation to personal injury.
- ▶ the claims should be made via the insurance policy for damage or loss of items/property that would ordinarily be covered by a customer's own contents and/or building insurance policy even if that policy is not in place.
- ▶ the fault/problem is caused by a third party not working on our behalf.
- ▶ the issue was caused because of negligence by the customer or their failure to comply with the terms of their tenancy or lease.
- ▶ the loss or damage is due to acts of negligence by a third party (e.g. a contractor not acting on our behalf).
- ▶ there is, or has been, a payment ordered by a court or competent tribunal in respect of the same issue.
- ▶ repair work has damaged a customer's decorations, and we are unable to exactly match the existing decorations when doing redecoration work.
- ▶ the claim is for loss of earnings.
- ▶ the claim is for the cost of water or electricity used when completing repairs.
- ▶ the claim is concerning fire or floods which have damaged customers' belongings, and we have acted promptly to repair and make the house safe after the initial report (customers are advised to purchase contents insurance).
- ▶ all statutory and contractual obligations have been fulfilled.
- ▶ customers' home contents are lost, stolen or damaged through no fault of ours.
- ▶ damage has been caused by a leak or similar from an adjacent flat/communal area where we have attended and repaired within a timely manner.
- ▶ we were not notified of the damage within three working days of it occurring (to allow for inspection).
- ▶ damaged items have been disposed of by the customer before ten working days has elapsed since notification of such damage.
- ▶ a disrepair claim has been made through a solicitor.
- ▶ the claim is for potential savings, for example from solar panels.

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

6. Calculating compensation

- 6.1 Compensation can be awarded in accordance with this policy by Operational Teams or by the Complaints Team if the compensation award relates to a service request or formal complaint.
- 6.2 Compensation will be calculated using the matrix at Appendix 1 and 2, the total compensation awarded can be a combination of the matrix, for example: compensation for: service failure; costs incurred; and impact and inconvenience.
- 6.3 Home loss payments when customers are required to permanently leave their home through no fault of their own are awarded a lump sum payment (the prescribed flat rate) of £8,100, in accordance with regulatory guidance. The amount will be split in cases of joint tenancy.
- 6.4 Disturbance payments are dependent on the circumstances of the temporary decant and reasonable requirements of the customers. The payment should cover reasonable costs, and this agreement should be reached prior to the decant.

7. Our remedies

- 7.1 In some circumstances it may be appropriate to offer monetary compensatory payments to customers 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 (e.g. the Housing Ombudsman) recommends payment of a certain amount to resolve the issue.
- 7.3 There may be situations where damage is caused by our employees to the customer's property or belongings. We will offer compensation to cover the cost of damage caused. Evidence must be provided, and the customer should provide quotes for the amount they are claiming.
- 7.4 Any damage caused by contractors or agents should be covered by their third-party liability insurance (which is a mandatory requirement for all contractors working for us).
- 7.5 The cost of payments will be met from the compensation budget.
- 7.6 Payments will be credited to the rent account where there are arrears. Refer to section 3.3 above.
- 7.7 Claims for compensation can be received in any format but evidence to support a claim; acceptance of claim and bank details will need to be in writing/via email.

8. Customer's responsibility

- 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 us 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 Without relevant evidence, we are unable to deal with a customer's request for compensation or pay the claim in full.

9. Claims

- 9.1 Compensation claims should be made as close as possible to the date of the incident taking place, we should be notified of the damage within 3 working days; damaged items should be retained for 10 working days after notifying us, to allow us to inspect; and compensation claims submitted no later than 20 working days after the incident.
- 9.2 When an offer of compensation is made, we ask our customers to respond within 20 working days.
- 9.3 Once we receive a customer's acceptance of compensation, we will aim to make the payment within 20 working 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 discretionary 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.
- 9.5 The decision can be challenged through our complaints process, for example escalating to a Stage 2 review. If compensation is offered without a formal complaint, it is advisable to challenge the decision as soon as possible, but within 12 months of the incident.

10. Monitoring and review

- 10.1 A log of compensation payments made will be kept and monitored by the Complaints Team.
- 10.2 This Policy will be reviewed every three years or following significant legislation or regulatory changes.
- 10.3 The review is the responsibility of the author.

11. Associated Documents and Links

- ▶ Complaints Policy
- ▶ Repairs and Maintenance Policy
- ▶ Vulnerability Policy

Menu of remedies

Appendix 1

This can be one item or a combination of compensation and discretionary payment.

1. Compensation

Service failure	Remedy	Value	Example
One instance of minor inconvenience	Apology	None	Attended an appointment late for the first time = apology.
One instance of inconvenience	Voucher	Up to £50	Not attended to an arranged appointment without cancelling/rearranging = £10 voucher.
Delay in completing your repair (to consider a high level of discretionary payment for impact relating to emergency repairs)	Compensation or credit on account (if in arrears)	Up to £50 £10 for not completing it by the target completion date and £2 for every day thereafter until the repair is completed. Up to a maximum of £50	We should have fitted your new tap within 28 days, but it was completed in 35 days = £24 compensation.
Temporary heaters supplied/required (only during winter, unless proven medical needs)	Compensation	£3 per day for every day temporary heaters are required, to cover additional energy costs or if the current bill and a comparable bill, for the same period, is provided, the additional energy costs will be considered instead of £3 per day.	Heaters required for 3 days while waiting for part to be fitted = £9.
Damage to customer personal items – if we damage customers personal items during a visit or during work being carried out	Repair/clean Reimbursement	If non repairable, replacement value upon receipts/evidence any award will consider wear and tear, and compensation will not be paid on a new for old basis Or A claim will be made through an Insurance Policy (Association or Contractor)	When carrying a large item out of the house a vase was smashed. A receipt of a recent purchase was provided for £10 = £10.
Damage to customer's personal items due to a repair that had not been reported/customer was unaware	Home contents insurance (customers)	Home contents insurance should be arranged by the customer and a claim made through the customer's policy	A leak from the radiator has damaged the carpet. Customer to claim through their insurance.

Impact	Remedy	Value	Example
<p>Injury incurred due to our failure to respond If we were aware of the issue. The following details need to be submitted, along with confirmation the customer wants to make a liability claim and it will be referred to our insurers:</p> <ul style="list-style-type: none"> • Date of incident • Incident location • What has occurred • What is the allegation of negligence? • Photos if possible 	<p>Insurance claim</p>	<p>Determined by the insurance claim</p>	<p>I cut my arm on a piece of metal that had been left on my boiler following a servicing = you must let us know in writing that you want to make a liability claim through our insurers and provide these details:</p> <ul style="list-style-type: none"> • Date of incident • Incident location • What has occurred • What is the allegation of negligence? • Photos if possible
<p>Room decoration – following assessment of the damage</p>	<p>Paint pack or B&Q vouchers</p>	<p>This amount dependent on room(s) in need of decoration due to the damage</p>	<p>Single room needs redecoration would receive a paint pack including paint, brushes/roller, dust sheet, masking tape.</p> <p>B&Q vouchers issued to buy paint and accessories.</p>

2. Discretionary payments for distress and inconvenience

Impact	Remedy	Value	Example
<p>Low level of impact to customer: Remedies in the range of these amounts may be used for instances of service failure resulting in some impact on the complainant.</p>	Compensation or credit on account (if in arrears)	£50 - £100	Examples include repeated failures to reply to letters or return phone calls or incorrectly addressing correspondence (causing offence/upset, but not a breach of data protection requirements).
<p>Medium level of impact to customer: Remedies in the range of these amounts may be for cases where there has been considerable service failure or maladministration, but there may be no permanent impact on the complainant.</p>	Compensation or credit on account (if in arrears)	£100 - £600	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 the complaint.
<p>High level of impact to the customer: 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.</p>	Compensation or credit on account (if in arrears)	Over £600	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.

