

Midlands Rural Housing

Compensation Policy

September 2026

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.

Compensation Policy

Regulation and legislation	This policy links to or considers: • Transparency, Influence and Accountability Standard • Housing Ombudsman Service – Complaint Handling code and Compensation Guidance Framework • Housing Act 1996 • Home Loss Payments (Prescribed Amounts) (England) Regulations 2007, 2020, 2022 • Land Compensation Act 1973 (as amended) • Sections 153A, 153B, and 138C from Part V of the Housing Act 1985 • Section 124 of the Housing Act 1988 • The Secure Tenants of Local Housing Authority (Compensation for Improvements) Regulations 1994 • Statutory Instrument 1944 No.133 • Right to Repair Regulations 1994 • The Secure Tenants of Local Housing Authorities (Right to Repair) (Amendment) Regulations 1994 • Local Government Act 2000 • Equality Act 2010 • The Data Protection Act 2018 / General Data Protection Regulations (GDPR)
Associated documents	This policy is to be read in conjunction with the following documents: • Decants, Disturbance and Home Loss Policy – to be produced • Complaints Policy • Repairs and Maintenance Policy • Data Protection Policy • Vulnerability Policy Statement • Housing Ombudsman Complaint Handling Code
Approved by	Richard Mugglestone
Scope	The scope of this policy sets out our approach to offering compensation and in what circumstances we would offer such compensation.
Reference to “we” or “us” includes reference to MRH / LRHA / NRHA / PDRHA / WRHA	

1 Introduction

1.1 This policy outlines when we can award compensation to our customers, including:

1.1.1 residents

1.1.2 shared owners

1.1.3 applicants for one of our homes

1.1.4 people who live close to, or are affected by, a property we own or manage.

We provide different services to different customer groups and not every section of the policy will apply to every customer. Compensation will only be considered in relation to services that we are responsible for providing. For example, where a shared owner is responsible for maintaining and repairing their home, the sections relating to repairs compensation would not normally apply. We will assess each compensation request based on the service involved and our responsibilities in that particular case.

1.2 There are three types of compensation payment:

1.2.1 mandatory (statutory and contractual)

1.2.2 quantifiable loss payments (where you can demonstrate actual loss)

1.2.3 discretionary payments (for time and trouble/distress and inconvenience).

2 Policy statement

2.1 We aim to provide a good quality service to all our customers. When we fail to meet these standards and commitments, we'll take action to put this right as quickly as possible.

2.2 When putting the situation right and apologising is not sufficient, we'll consider offering compensation. The compensation we offer should restore the person to the position they would have been in if the service failure had not occurred.

2.3 Compensation is not limited to financial payments. We may consider practical action to provide all or part of a suitable solution to the service failure. For example, we may compensate by:

- 2.3.1 agreeing a temporary solution, such as providing an alternative form of heating until there's a permanent solution, or
 - 2.3.2 carrying out additional repair or decoration works beyond our normal service offer or contractual requirements.
- 2.4 The start date for compensation is the date the customer reported the issue minus the reasonable repair period. The end date is when the issue is completed/resolved.

3 Compensation: Quantifiable loss

- 3.1 Compensation payable for quantifiable loss is where the service failure has resulted in a specific and measurable loss. Examples include:
 - 3.1.1 higher water bills due to our failure to remedy a leak where this is our responsibility under your tenancy
 - 3.1.2 higher energy costs of running alternative sources of heating when we've failed to repair the heating system within a reasonable timeframe where this is our responsibility under your tenancy.
- 3.2 We will consider paying compensation for all or part of a quantifiable loss, on a case-by-case basis.
- 3.3 You must provide evidence of the quantifiable loss you have suffered. This must be reasonable and have been reasonably incurred by you. You should make us aware of damaged goods within 5 days and allow 10 days for us to inspect if required.
- 3.4 We may offer discretionary compensation on top of compensation for a quantifiable loss if we consider it necessary and appropriate. We will not usually consider adding interest unless the delay in paying compensation is more than 6 months and the actual loss was more than £1,000.

4 Discretionary compensation payments

- 4.1 We may choose to make discretionary compensation payments to recognise the inconvenience or loss caused by the service failure. We assess discretionary compensation on a case-by-case basis.
- 4.2 Examples of situations where we may make a discretionary compensation payment include:
 - 4.2.1 failure or delay providing a service, for example completing a repair

- 4.2.2 failure to meet target response times
 - 4.2.3 failure to meet our standard of service
 - 4.2.4 not following our policies or procedures
 - 4.2.5 if you lose the use of accommodation or facilities, such as being unable to use a room or having no heating or hot water, and
 - 4.2.6 poor complaint handling.
- 4.3 In this case, we will determine what we consider to be a reasonable compensation payment to recognise the impact of the service failure. We may ask you to provide evidence of the costs you have incurred and how they were unavoidable, or the loss that you have suffered. Where evidence is not available, we must be satisfied that, on the balance of probabilities, you have incurred costs or suffered financial loss but have not been able to evidence this. You should make us aware of the damaged goods within 5 days and allow 10 days for us to inspect if required.

5 Compensation: Loss of use of the home (rent-based calculation)

5.1 What we mean by loss of use

Loss of use means that a room or in your home could not reasonably be used for its intended purpose because of a service failure. For example, being unable to cook in a kitchen, wash in a bathroom, sleep in a bedroom, or use the main living space. We will base our assessment on the available evidence, which may include records, photographs and, where relevant, professional reports. Minor inconvenience or reduced comfort does not, by itself, mean that a room is unusable.

- 5.2 Where a service failure results in the loss of use of part or all of your home, we may offer compensation. We will calculate the compensation using the rent charged for your home
- 5.3 We will consider any mitigating or aggravating factors that may affect the amount of compensation awarded. This may include circumstances where temporary accommodation has been offered for part of the relevant period, in which case compensation will not be based on the rent charged.
- 5.4 Where part we may calculate compensation using a percentage of your weekly rent. The table below shows the percentage that applies to different

rooms in the home. These percentages help us make fair and consistent compensation decisions.

- 5.5 We will use the table below to help us arrive at consistent and transparent awards:

Room	Percentage of weekly rent
Living room	20%
Bedroom	20%
Kitchen	30%
Bathroom	30%
Bathroom where an additional WC is available	20%
Hallways, gardens, and external areas	Will not generate rent-based awards but may attract distress awards.

For example:

If your weekly rent is £120 and your kitchen cannot be used:

- The table shows a kitchen rate of **30%**
- 30% of £120 = **£36 per week**
- If the kitchen could not be used for **2 weeks**, the compensation would be **£72**

This is an example only. We will consider the individual circumstances of each case before deciding the final amount of compensation

- 5.6 Where the whole home is unusable, compensation may be calculated using up to 100% of the rent charged, before any mitigating factors are considered. The total compensation will not exceed 100% of the rent charged for the

relevant period. Further information can be found in our Decants, Disturbance and Home Loss Policy.

6 Situations where compensation will not be paid

6.1 We won't pay compensation in the following circumstances.

- 6.1.1 For claims that relate to personal injury or other public liability insurance claims. The customer would need to submit an insurance claim and provide relevant evidence to support the claim to our insurers. Any decision about liability, including whether compensation is payable, will be made through the insurance process.
- 6.1.2 For claims of damage caused by circumstances beyond our control (e.g. through storm or flooding).
- 6.1.3 For claims that should be covered by a home contents insurance policy, which you are responsible for obtaining. This includes damage to your belongings (including floor coverings) through leaks, flood, or fire.
- 6.1.4 Where the loss is due to lack of action, neglect, wilful damage, or misuse by a customer, someone in the customer's household or a guest of a customer.
- 6.1.5 For issues subject to legal proceedings or disrepair claims.
- 6.1.6 For loss or damage caused by a third party unrelated to us. For example, a utility company, or another resident or visitor.
- 6.1.7 When we've fulfilled our statutory and contractual obligations.
- 6.1.8 For loss of earnings or annual leave.
- 6.1.9 In respect of communal repairs/amenities (e.g. communal lighting, intercom systems, playground/parking spaces; this isn't an exhaustive list). We may consider a discretionary payment for the impact, and the overall effort you've personally made to ensure the repair/s are carried out.
- 6.1.10 In respect of record keeping failures where this has not directly impacted a customer.
- 6.1.11 Where a customer pays for a third party to fix an issue without giving us a chance to fix the issue first.

- 6.1.12 For professional fees incurred by a customer in pursuit of a complaint.
- 6.2 We may consider paying compensation when:
 - 6.2.1 our service failure, or that of a contractor working on our behalf, has directly caused damage to your belongings, and
 - 6.2.2 it's not reasonable to expect the damage to be covered by your home contents insurance.

7 Compensation requests

- 7.1 You can request compensation in a variety of ways, including:
 - 7.1.1 Our website: www.midlandsrural.org.uk/contact
 - 7.1.2 [Online customer portal](#)
 - 7.1.3 Phone: 0300 1234 009
 - 7.1.4 Email: enquiries@midlandsrural.org.uk
 - 7.1.5 In person: Memorial House, Stenson Road, Coalville, LE67 4JP
- 7.2 You must make your compensation claim within six months of the failure, fault, or event, unless exceptional circumstances prevented this. You should make us aware of damaged goods within 5 days and allow 10 days for us to inspect if required.
- 7.3 You must keep paying your rent and/or service charge while we consider your claim.
- 7.4 As part of our investigation, we may request supporting information from you. Failing to provide the necessary information could affect the outcome of the investigation.
- 7.5 We'll assess your claim and let you know our decision within 10 working days of receiving your claim.
- 7.6 Where a claim relates to a service that is not provided by us or is the responsibility of another party, compensation will not normally be payable under this policy.
- 7.7 If we determine that compensation is payable, we'll let you know the amount being offered; we'll include an apology; and an explanation for the service failure. If we determine that compensation is not payable, we will explain the reasons for our decision.

7.8 We'll make compensation payments within 20 working days of the date you accept our offer. We can make payments by:

7.8.1 crediting your rent account

7.8.2 BACS (electronic payment direct to your bank account), or

7.8.3 e-voucher.

8 Amount of compensation

8.1 We'll consider each case individually, and calculate compensation according to what's fair in the circumstances.

8.2 When calculating an award of compensation, we'll consider the extent, severity, and impact of the failure. We'll account for any vulnerabilities or individual circumstances when assessing the impact of the failure. We will also consider factors such as the length of time it took us to resolve the problem and the customer's experience in pursuing the award.

8.3 The overriding principle with compensation to be offered is that it must be appropriate and proportionate to the circumstances of the specific event.

8.4 We will use this policy when determining an appropriate level of compensation.

9 Special considerations

9.1 Group complaints

9.1.1 We can accept an individual complaint as a lead case. Any decision made in that case may, in certain circumstances and where the lead resident is clearly representing named individuals, also apply to others in the same circumstances. In such cases, we may offer compensation to be paid to both the lead resident and the members of the group.

9.2 Deceased residents

9.2.1 We can investigate complaints on behalf of deceased residents by an executor or administrator of their estate, or where the resident has died following referral of their complaint. If we find there's been maladministration, we can still offer to pay compensation, despite the resident being unable to enjoy the benefit of it. In these cases, compensation will be paid to the estate, rather than the resident or any other named individual.

9.3 Impact of compensation benefits

- 9.3.1 Large sums of compensation may affect a resident's entitlement to benefits. We will not take this into account when making awards for compensation. Upon receipt of our determination, it is for the resident to decide in advance of payment being made whether they wish to accept the total amount of compensation, or whether they wish to accept part or none of it.

10 Reviewing or appealing a compensation decision

If you aren't satisfied with the compensation offered, you can ask us to review the case. You must let us know within 20 working days of when we make an offer. This will be managed in line with our Complaints Policy.

11 Roles and responsibilities

Role	Responsibilities
Operational managers	• Monitoring overall compliance and performance against this policy. • Ensuring staff have the necessary information, instruction and training to fulfil their roles and responsibilities under this policy.
All staff	• Considering compensation requests, determining whether compensation should be payable under this policy and what the level of compensation should be. • Maintaining communication with our customers about the case, whether compensation is being offered and the level of compensation. Where compensation is not offered, informing the customer of this and the reasons for it.

12 Review

We will carry out a fundamental review of this policy every three years or sooner subject to legal, regulatory changes or if internal changes require it.

13 Essential information

13.1 Governance, learning and monitoring

- 13.1.1 All compensation awards will be recorded. They don't have to be part of a formal complaint.
 - 13.1.2 The themes will be reviewed quarterly.
 - 13.1.3 Annual reporting will highlight trends, learning, and service improvements,
 - 13.1.4 Lessons learned will feed into service reviews and staff training.
 - 13.1.5 Improvements to services/processes made following complaints will be published on the 'you said we did' section of our website.
- 13.2 All our policies and procedures are developed in line with our approach to the following: data protection statement, equality diversity and inclusion (EDI) approach, complaints policy and our regulatory and legal obligations to ensure we deliver services in a lawful manner and treat people equally and fairly. Our privacy policy can be accessed on our website - www.midlandsrural.org.uk/privacy

EA	Equality Analysis An Equality Analysis was completed in September 2026. No adverse equality impacts were identified that would prevent implementation of the policy. The analysis identified that the policy can have a positive impact where staff consistently consider vulnerability, disability, household circumstances and communication needs when assessing compensation.
DPIA	Data Protection Impact Assessment A full DPIA is not required at this stage because the policy does not introduce new high-risk data processing. Data protection risks will be managed through existing data protection controls, including secure handling of evidence, restricted access to records, clear privacy information and appropriate retention arrangements. A full DPIA will be completed if the compensation process changes significantly, such as the introduction of a new online form, automated decision-making or new data-sharing arrangements.
Consultation	Internal: July 2026
	External: September 2026
Applies to	All staff and stakeholders

Appendix 1 – Specific compensation awards

Service	Redress	Considerations
Loss of heating and/or hot water	• Apology • £15 per day for complete loss • £8 per day for loss of one service (heating or hot water) • £5 per day (after the repair timeframe) for temporary heaters or consideration of actual additional costs if bills are supplied	• Compensation should be awarded after the target completion date. • Where the use of a room is substantially impaired (unable to be used for its intended purpose), compensation will be based on the rent charged (see section 5, 'Loss of use of the home'). • Where the impact on the resident is significant and exceptional, we may award additional compensation. • Compensation for loss of heating should not be awarded where suitable, alternative heating is supplied. • Reasonable access should have been given.
Loss of power	• Apology • £10 per day for complete loss • £10 per week for loss of lighting only	• Where the landlord's policy sets out higher amounts for the same specific services, we will award compensation in line with that higher amount. • Where the use of a room is substantially impaired (unable to be used for its intended purpose), compensation will be based on the rent charged (see section 5, 'Loss of use of the home').

		• Where the impact on the resident is significant and exceptional, we may award additional compensation • Compensation for loss of heating should not be awarded where suitable, alternative heating is supplied. • Compensation should be awarded after the end of the applicable repair timeframe.
Delay in completing repairs (excluding no heating/hot water)	• £10 for not completing it by the target completion date and £5 for every day thereafter until the repair is completed • Up to a maximum of £100	• Compensation should be awarded after the target completion date. • Where the use of a room is substantially impaired (unable to be used for its intended purpose), compensation will be based on the rent charged (see section 5, 'Loss of use of the home'). • Where the impact on the resident is significant and exceptional, we may award additional compensation. • Compensation for loss of heating should not be awarded where suitable, alternative heating is supplied. • Reasonable access should have been given.

Missed appointments	• Apology • £15 per missed appointment	• The appointment was missed without any notice given but didn't comply with pre-agreed reasonable adjustments so the appointment couldn't take place • We were unreasonably late, usually by two hours or more. • Compensation will not be given where we were unable to attend for good reason, for example: sickness / part not available and reasonable notice (24 hours plus) was given.
Food - cost of additional food when no cooking facilities are available	• £15 per adult, £10 per child per day	• Must be total loss of cooking facilities, where they are needed. • Alternative cooking arrangements have been provided.

Appendix 2 – Compensation for complaint handling

Where complaint handling causes additional detriment, compensation may be awarded as follows:

Level	Typical range
Service failure	Apology
Minimal impact (Service failure)	Up to £50
Low impact (Maladministration)	Up to £100
Maladministration / Severe maladministration	Up to £250

Examples:

- Delayed complaint response
- Failure to address issues
- Repeated chasing required
- Misleading or inaccurate communication

Appendix 3 - Compensation for impact of other service failings

Compensation may be awarded where residents experience avoidable detriment, distress, or excessive effort due to our service failings.

Level	Impact	Typical redress
Service failure	Minimum impact: i.e. single incident, where the effect was a short duration and there was no wider impact. Example: the contractor attended at 2pm on an AM appointment but the resident was available.	Apology
Low (Maladministration)	Distress, inconvenience, minor delays, no permanent impact. Example: A resident reports a broken heating system in winter. There are delays in arranging repair visits and poor communication, meaning the resident experiences several days without heating before resolution.	Up to £100
Moderate (Maladministration/Severe maladministration)	Substantial impact, physical and/or emotional impact. Example: A damp and mould issue is reported but not effectively addressed over several months, despite multiple complaints. The situation worsens, affecting living conditions and the resident's wellbeing.	£100 - £300
Significant (Severe maladministration)	Severe long-term impact; serious failings by us which have had a seriously detrimental impact on the resident. Example: A major repair issue (e.g. structural leak or severe mould) is reported repeatedly over a long period (e.g. 12+ months) with no effective resolution. Failures include poor investigation, lack of communication, and ignoring escalation. The resident's health and living conditions have been seriously affected.	£300+

Aggravating factors (e.g. disability, children, known vulnerabilities) may increase awards.

Mitigating factors (e.g. failure to provide access) may reduce them.

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2	30.09.2026	Alignment with guidance from Housing Ombudsman