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| **Customer Compensation Policy**  **COR-POL-05**  **Version 5.4** |
| **Date approved: May 2023**  **Approved by: People and Places Committee** |

# *‘We / us’ in this Policy refers to Southway Housing Trust (Southway). ‘You’ in this policy refers to the tenant(s).*

# Introduction

Southway Housing Trust always aims to provide high quality services to customers and to get things right first time. However, sometimes we get things wrong and when we do, alongside saying sorry and making things right, it may be appropriate to offer some form of compensation.

This policy explains the circumstances in which Southway will compensate you if we get things wrong.

**This policy does not apply to:**

* Insurance claims including legal disrepair
* Delays in processing a Right to Buy application
* Compensation payments decided by the Housing Ombudsman

These types of compensation are covered in our Corporate Compensation Policy.

# How does claiming compensation work?

Every person who makes a claim for compensation will be treated with respect and understanding. You will be allocated a named officer who will handle your claim and make sure any compensation agreed is organised as quickly as possible.

Usually, claims for compensation should be put forward within 12 months of the issue of the loss being incurred. However, there may be exceptional circumstances where we would consider extending this timescale, and this would be on a case-by-case basis in discussion with the customer.

Compensation is usually used to clear rent arrears, but this depends on the reason for the compensation being paid and what financial loss has been incurred – as an example, if you have had to use electric heaters due to an issue with your heating system, we would pay compensation to cover the cost.

The following types of compensation are available:

* + Discretionary compensation for service failure, damage, or lack of heating, for example.
  + Tenants Own Improvements compensation.
  + Right to Repair compensation when we have failed to deliver a service to agreed timescales.
  + Statutory Compensation which includes Home Loss and Disturbance.

# Discretionary Compensation

We offer a wide range of services, and it is not always possible to attach a value to service failure, as each set of circumstances is different.

When deciding the amount of compensation to be paid we will:

* Consider the impact of the service failure on you and your household.
* Where possible, use the table below (Compensation Award Examples) to calculate the amount that will be paid.
* Consider the level of compensation that would be awarded if a third party (normally the Ombudsman) reviewed the case.
* Communicate the reasons for the decision to the person being offered the compensation.

Any offer of discretionary compensation is made on a “without prejudice” basis and does not mean Southway has accepted liability. This means that once an agreement is reached, there is no further right to appeal or challenge it.

Compensation payments made to tenants or leaseholders who are also Southway employees, or Board and Committee members, must be approved by the Strategic Director - People and Places or, in their absence, another Director.

**Compensation Award Examples**

This table lists some of the situations when compensation awards will be considered, and indicates what type of financial award may be offered:

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| **Service Failure example** | **Recommended Compensation/ Action** |
| We fail to deliver a service which is subject to a service charge, where the fault has been reported, and we have not responded within the advertised repair timescales and not provided a justifiable explanation. | Reimbursement of the relevant part of the service charge*.* |
| Major works are not completed at the start of a new tenancy, which makes the property uninhabitable. | A rent-free period for the time that the property is uninhabitable, following assessment by a relevant officer. |
| Lack of hot water and/or heating beyond the published repairs timescales. | Up to £100 total payment. |
| Utility bills increase in cost due to work carried out by Southway. | Up to £50 per day maximum (the loss must be evidenced). |
| Loss of use of part of a property for a period beyond the time advised for completing remedial works: | Payment of compensation will be based on the following: |
| * Use of Kitchen or Bathroom or Toilet (where no other is available) | A 20% reduction in net rent per day |
| * Use of Bedroom (where no spare room is available) | A 10% reduction in net rent per day |
| * Use of Living Room/Dining Room/Parlour | A 5% reduction in net rent per day |
|  | **All up to a maximum amount of £500** |
| We fail to adhere to published service standards. | Discretionary compensation, proportionate to the distress and inconvenience caused. |
| Belongings are damaged while carrying out works. | Full reimbursement of the cost of replacement items costing up to £50 each.  Proof of cost required for higher value items which may be referred to our insurers. |
| Loss of earnings, or other material financial loss. | Costs will be paid on production of evidence. Loss of earnings will be paid to a maximum of £250. |

Discretionary compensation payments will always be used to pay off rent arrears unless it is being offered to reimburse a direct financial loss or expense.

**We will not make compensation payments in certain circumstances – for example:**

# Where the fault or problem is caused by a third party not working on Southway’s behalf or it is not something we are responsible for.

# Where a claim can or should be made on home contents insurance.

# Where the issue was caused because of negligence by the customer or their failure to comply with the terms of their tenancy such as not providing access to contractors to complete work required.

# Claims for damage caused by circumstances outside of our control, such as storm damage or flooding.

# Where there is, or has been, a payment ordered by a court in respect of the claim.

# What is Statutory Compensation and when is it paid?

Statutory Compensation is compensation that Southway is legally obliged to make. There are two types:

## Home Loss Payments

If we need to move you from your home because we have to carry out certain major works, or demolish it, you could be entitled to a form of compensation called a Home Loss Payment.

To qualify, you will need to have lived in the property for at least a year and be moving out permanently. More information, including the amount payable, can be found here: <https://www.legislation.gov.uk/uksi/2022/793/made.>

Southway will offset Home Loss Payments against any debt owed to us to pay the balance.

## Disturbance Payments

If you are entitled to Home Loss Payments, or if you temporarily need to move, you might also be entitled to Disturbance Payments. More information can be found here: <https://www.legislation.gov.uk/ukpga/1973/26/section/29>

The payment will cover “reasonable expenses” if you have had to leave your home, which might include as examples:

* Removal costs
* Refitting of carpets and curtains
* Disconnection and reconnection of electricity, gas, telephone, Wi-Fi and fitted appliances
* Redirection of mail

Receipts should be provided for the cost of these unless the services are arranged by Southway officers on your behalf.

If you have had to move temporarily, you will be offered appropriate compensation for any expenses for the inconveniences listed above.

# What is Right to Repair compensation?

You are entitled to compensation for certain repairs affecting your health, safety, or security, if Southway fails more than once to complete them within set timescales.

You can find more guidance on the repairs that qualify for this compensation in our Responsive Repairs Policy on our website.

To qualify for the Right to Repair:

* The estimated cost of the repair should be £250 or less.
* Operatives must have been given access at the arranged time.

There is a flat rate you will receive of £10. In addition, you will get £2 per day for each day the repair remains outstanding after the second report has been raised, up to a total of £50.

# Compensation for your own improvements

You have a right to claim compensation at the end of your tenancy for ‘qualifying improvements’ you have carried out to your home. Eligible claims may include as examples improvements to your:

* Bathroom
* Kitchen
* Central heating or water heating
* Cavity and/ or Loft Insulation
* Door and / or window replacements
* Rewiring of electrical fittings
* Any other work that Southway agrees improves your home or the security of it (except burglar alarms)

To receive compensation, you need to:

* Have received written permission from Southway before starting the work (or Manchester City Council if before 26 November 2007)
* Have gained any necessary approvals – for example Building Control

When we receive a claim for compensation for Tenants’ Improvements, a Surveyor will make an assessment based on the cost of the improvement, or an estimate if no invoice is available.

Compensation will only be paid at the end of the tenancy, with £3,000 being the maximum payment for any improvements made. We will deduct this from any money that you may owe us.

Compensation will not normally be payable where:

* + The tenancy is ended through a possession action taken through the County Court
  + The Right to Buy or Right to Acquire has been exercised
  + The tenancy passes from joint to sole names (or the other way around)

# 7. External Contractors

Normally, we will refer compensation claims that relate to work of a contractor to the contractor themselves, but we will intervene if you complain of inadequate service.

**8.** **Home Contents Insurance**

All customers are encouraged to have Home Contents Insurance to cover the cost of replacing personal belongings and interior redecoration in the event that they are damaged. We offer a low-cost home insurance scheme which our Officers will promote and encourage that you take up at the start of your tenancy, and we can help you to sign up.

## 9. Appeals

If you are unhappy with a decision made about the payment of compensation then you can get in touch with us using the procedure set out in the Complaints Handling Policy, available on our website.

**10.** **Equality and Diversity**

This Policy and our related publications can be provided on request in other formats (e.g., in an alternative language, Braille, large print, or audio)