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## **Customer Compensation Policy**

**COR-POL-05**

**Version 5.5**

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**Date approved: November 2025**

**Approved by: People and Places Committee**

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***'We / us' in this Policy refers to Southway Housing Trust (Southway). 'You' in this policy refers to the tenant(s) and residents.***

## **1. Introduction**

- 1.1 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.
- 1.2 This policy explains the circumstances in which Southway will compensate you if we get things wrong.
- 1.3 This policy does not apply to:
  - Insurance claims
  - Delays in processing a Right to Buy application

## **2. How does claiming compensation work?**

- 2.1 All requests for compensation will be formally reviewed by the Customer Experience Team. Where a compensation request is associated with a complaint, the enquiry will be managed in accordance with the Complaints Handling Policy. To submit a request, please email [Southway.Complaints@southwayhousing.co.uk](mailto:Southway.Complaints@southwayhousing.co.uk) directly, or contact the Customer Hub or any member of staff, who will ensure your enquiry is directed appropriately.
- 2.2 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.
- 2.3 The following types of compensation are available:
  - Discretionary compensation
  - Quantifiable loss compensation
  - Statutory compensation

### **3. Discretionary compensation**

- 3.1 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.
- 3.2 When deciding the amount of compensation to be paid we will consider the impact of the service failure on you and your household. We will clearly communicate the reasons for our decision to you.
- 3.3 Discretionary compensation payments include payments for the following:
  - Poor complaint handling
  - Delays in providing a service
  - Failure to follow policy and procedure
- 3.4 Discretionary payments of compensation will be dependent upon the severity of any service failure and the impact on you. When we determine the level of compensation payable, we will consider whether the failure is minor, moderate, or severe. To decide upon this, we will consider the duration of the problem, the extent or severity of the service failure and the impact on the customer. When considering impact on the customer, we will consider individual circumstances.
- 3.5 Compensation will be calculated by our Customer Experience team utilising our compensation matrix (attached as appendix 1). This is to ensure fair, consistent and objective approach. We will regularly update the matrix in line with the [Housing Ombudsman's Remedies Guidance](#).
- 3.6 We will also consider practical actions, such as offering to undertake repairs or redecoration (which would otherwise be a customer's responsibility) and gestures of goodwill, such as flowers or vouchers, where appropriate.
- 3.7 Where we compensate a customer for an issue for which our contracting partners are responsible, the issue will be raised during regular contract management meetings and may be reclaimed.
- 3.8 Where compensation is offered to remedy a customer's complaint, we will follow our Complaint Handling Policy.

#### 4. What is quantifiable compensation and when is it paid?

4.1 Quantifiable compensation is a payment we make to you when you have experienced a financial loss because we did not meet our responsibilities as your landlord. This type of compensation is based on actual costs you have incurred, and you will need to provide evidence (such as receipts or invoices).

4.2 Examples of quantifiable compensation includes:

- Increased heating bills due to disrepair
- Having to pay for alternative accommodation or take away food, where there is no other form of cooking facilities
- Paying for cleaning

4.3 Any such costs must have been reasonably incurred and evidence of such loss must be provided.

4.4 Our approach to managing temporary accommodation (decants) is outlined in our [Temporary Accommodation \(Decants\) policy](#).

4.5 Quantifiable compensation will be calculated by our Customer Experience team as follows:

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 where no alternative is provided.	10% rent
Loss of cooking facilities	This loss must be evidence and the maximum payment offered is £5 per person per day
Utility bills increase in cost due to work carried out by Southway.	This loss must be evidenced

<p>Loss of use of part of a property for a period beyond the time advised for completing remedial works:</p> <ul style="list-style-type: none"> <li>- Use of Kitchen or Bathroom or Toilet (where no other is available)</li> <li>- Use of Bedroom (where no spare room is available)</li> <li>- Use of Living Room/Dining Room/Parlour</li> </ul>	<p>Payment of compensation will be based on the following:</p> <p>A 25% reduction in net rent per day</p> <p>A 10% reduction in net rent per day</p> <p>A 10% reduction in net rent per day</p>
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4.6 There are certain limited situations where tenants and residents can be reimbursed for property damage, provided it is established that Southway is responsible. Receipts must be submitted in these cases, and if no receipt is available, the maximum reimbursement per item is £50.

## 5. What is statutory compensation and when is it paid?

5.1 Statutory compensation is compensation that Southway is legally obliged to make. These are:

5.2 Home Loss Payments

5.2.1 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.

5.2.2 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: [Land Compensation Manual Section 13: Loss payments - Part 1: Home loss payments - Guidance - GOV.UK](#)

5.3 Disturbance payments

5.3.1 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: [Land Compensation Manual – Section 4: Disturbance](#)

5.3.2 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

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

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

5.4 For Homeloss and Disturbance compensation payments, tenants and leaseholders have the right to appeal under the Landlord Compensation Act (1973) if you are unhappy with the compensation offered. An appeal must be made within 5 working days from the date of the decision letter.

5.5 Right to Repair compensation

5.5.1 Southway is committed to completing all responsive repairs within the published timescales and to a high standard. If we do not carry out the repair on time, tenants have the right to act under the Right to Repair scheme.

5.5.2 Under this scheme, if Southway does not complete certain small, qualifying repairs within the required timescales, tenants are permitted to arrange for these repairs to be carried out by an approved contractor. The repair must affect the tenant’s health or safety and must fall within the categories specified by Southway. Full details of qualifying repairs are outlined in the Repairs Policy available on our website.

5.5.3 To qualify for the Right to Repair, the cost of the repair should be £250 or less and operatives must have been given access at the arranged time. Where a tenant is entitled to compensation under the Right to Repair scheme, a flat rate payment of £10 will be issued. A further £2 per day will be paid for each day the qualifying repair remains outstanding following the second report, up to a maximum total payment of £50.

5.6 Compensation for your own improvements

- 5.6.1 Tenants are welcome to make personal improvements to their homes, provided that all works are undertaken safely and with the necessary permissions.
- 5.6.2 At the end of the tenancy, tenants may be eligible to claim compensation for any 'qualifying improvements' that have received prior approval from Southway. Full details of what constitutes a 'qualifying improvement' can be found in our Repairs Policy
- 5.6.3 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 a £3,000 maximum payment for improvements made. We may deduct this from any money that you may owe us.

5.7 Compensation will not normally be payable where:

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

## **6. We will not make compensation payments in certain circumstances**

- 6.1 There are some circumstances where Southway will not offer compensation. This includes:
  - 6.1.1 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.
  - 6.1.2 Where a claim can or should be made on home contents insurance.
  - 6.1.3 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.
  - 6.1.4 Claims for damage caused by circumstances outside of our control, such as storm damage or flooding.
  - 6.1.5 Where there is, or has already been, a payment ordered by a court in respect of the claim.

## **7. Home contents insurance**

- 7.1 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.
- 7.2 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. For more information, please visit [Content Insurance | Southway Housing](#) or contact our Customer Hub.
- 7.3 Where tenants and residents lack Home Contents Insurance, we will signpost you to [our Advice Services](#) for support.

## **8. Compensation payments made to tenants and residents who are also employees of Southway**

- 8.1 Compensation payments made to tenants or residents who are also Southway employees, or Board and Committee members, must be approved by the Executive Director - Homes and Communities, in their absence, another Director.

## **9. Housing Ombudsman determinations**

- 9.1 We will fully comply with any Ombudsman determination to pay compensation for maladministration or service failure.

## **10. Equality and Diversity**

- 10.1 EDI is central to how we work, how we treat each other, and how we serve our communities. We believe everyone deserves to feel respected, valued and included. We ensure that these principles are applied fairly and consistently as outlined in our Equalities Scheme.
- 10.2 Where we determine discretionary compensation, we will reflect on your circumstances acknowledging that service failure impacts customers differently depending upon your needs. To ensure accessibility and transparency, the Customer Compensation Policy will be actively promoted through our official communication channels.
- 10.3 The Policy will be made available in accessible formats and a range of languages upon request. We can also use translators where needed. We train

colleagues on our approach, so they can directly signpost you to assistance where needed. In addition, the Complaints Compensation Matrix is appended to this Policy to provide clarity regarding your entitlements and to support your understanding.

10.4 If you require any reasonable adjustments, please let us know and we will endeavour to accommodate your needs. This includes working with a representative where you have clearly appointed them to act on your behalf. Please note any payments will be made to the customer directly unless otherwise agreed.

<b>POLICY REVIEW HISTORY</b>	
<i>To be completed during each review</i>	
<b>Previous versions</b>	
<b>Date of last EIA:</b>	November 2025
<b>Review lead by:</b>	Assistant Director of Customers and Communities
<b>Main points or amendments made and reasons</b>	
The Customer Compensation Policy has been refreshed to meet the requirements outlined in the Housing Ombudsman Service's latest Remedies <a href="#">Policy</a> and <a href="#">Guidance</a> .	
Significant amendments are	
Section 2-	
This clarifies the lead role of the Customer Experience team in managing requests for compensation and provides contact information	
We have removed references to using compensation to offset arrears and will, in future, seek to give customers a choice as to whether their compensation is applied to their rent account or paid directly. This is in keeping with Ombudsman's Remedies Guidance.	
We also introduce quantifiable compensation as a separate category of compensation in line with Ombudsman's guidance and sector standards.	
Section 3-	
This is updated to reflect the Ombudsman's Remedies Guidance. We also introduce a new compensation matrix, which the Customer Experience team will use to determine discretionary compensation. This is attached as Appendix 1.	

The matrix will improve our visibility of payments offered, enabling greater consistency and controls to ensure payments are appropriate. Our intention is to update the compensation matrix in line with the Ombudsman's guidance as needed.

We've clarified that compensation linked to contractor failure will usually be addressed via our complaints process. This aligns with the requirements of the Ombudsman's Complaint Handling Code, which stipulates that landlords should refrain from directing customers through multiple complaints processes.

#### Section 4-

This updates the circumstances and amounts of quantifiable compensation available for customers. We have removed maximum payments to reflect our current practice. The percentage of rent customers are entitled to claim where bathrooms and kitchens are inaccessible is increased from 20% to 25% rent, calculated on a per day basis. This is to match the Ombudsman's expectations as outlined in recent casework.

#### Section 7-

This now reiterates our support offer, where customers lack home contents insurance. This is regarded by the Ombudsman as best practice and inclusion aligns with our values and ways of working.

#### Section 10-

This states that we will comply with Ombudsman's compensation orders. Previously this was covered in our Corporate Compensation Policy.

<b>Next review due:</b>	<b>Q3 2028/29</b>
<b>Approval level:</b>	<b>People and Places Committee</b>

Total Set Compensation	£0.00
Total Discretionary Compensation	£0.00
<b>TOTAL COMP</b>	<b>£0.00</b>

Weekly Rent

Loss of Room Use (over 24hrs)			
	Daily net rent	No of days	10% of net rent
Bedroom 1	£0.00		£0.00
Bedroom 2	£0.00		£0.00
Bedroom 3	£0.00	0	£0.00
Living Spaces	£0.00	0	£0.00
	<b>Total</b>		<b>£0.00</b>

Loss of Washing Facilities (over 24hrs)			
	Daily net rent	No of days	25% of net rent
Bathroom (washing facilities)	£0.00		£0.00
Toilet	£0.00		£0.00
	<b>Total</b>		
	<b>£0.00</b>		

Loss of Heating (over 24 hours if no alternative provided)			
	Daily net rent	No of days	10% of net rent
	£0.00	0	£0.00
	<b>Total</b>		
	<b>£0.00</b>		

Loss of Hot Water (over 24 hours)			
	Daily net rent	No of days	10% of net rent
	£0.00	0	£0.00
	<b>Total</b>		
	<b>£0.00</b>		

Missed Appointments	
Number of appointments missed	
Total	£0.00

Loss of Cooking Facilities (over 24 Hours)	
Number of people in household	
No of days without facilities	
Total cost of receipts	
Cost of receipts per person per day	£0.00
Max cost per person per day	£5.00
	<b>Total</b>
	<b>£0.00</b>

Can increase comp for cooking facilities and heaters/dehumidifiers if medical evidence or extra bills are provided  
 If increased, note the amount , the reason and the calculation below and save the bills to the network folder

Dehumidifiers or heaters (if provided)	
Number of days used	
Number of heaters/dehumidifiers	
Total	0

Decorating costs	
	How many
Small Room	
Medium Room	
Large Room	
Entire 1-bed property	
Entire 2-bed property	
Entire 3-bed property	
	<b>Total</b>
	<b>£0.00</b>

Total Set Compensation	£0.00
Total Discretionary Compensation	£0.00
<b>TOTAL COMP</b>	<b>£0.00</b>

**Complaint Handling**

	Stage 1 ack	Stage 1 Response	Extension	Stage 2 Ack	Stage 2 Response	Total
1-5 working days late						£0.00
6-10 working days late						£0.00
11-20 working days late						£0.00
over 20 working days late						£0.00
					<b>Total</b>	<b>£0.00</b>

**Inconvenience, time and trouble**

	0-3 Months	3-6 Months	6-12 Months	12 Months +
No impact	0	0	0	0
Low impact / short duration / unlikely to affect outcome	50	75	100	125
Medium impact / delays to resolve complaint / no permanent consequences / adverse effect	200	300	400	500
High impact / serious long term effect on customer or tenancy	450	650	850	950
			<b>Total</b>	

If awarding an amount other than the given values, or added an additional discretionary payment, please enter your reasoning here - this might be because you've added together two amounts, or you feel the amount due falls between the figures provided

**Service Failures** **Number of failures**

Failure to follow process/policy		£0.00
Failure to respond/customer having to chase		£0.00
Failure to use preferred communication method		£0.00
Failure to make/use reasonable adjustments		£0.00
Miscommunication/incorrect information provided		£0.00
Unsatisfactory handling of the complaint (other than lateness)		£0.00
	<b>Total</b>	<b>£0.00</b>

**Other Discretionary Payments** **Number of failures**

£25.00		£0.00
£50.00		£0.00
£75.00		£0.00
£100.00		£0.00
Other Amount - Please Specify		
	<b>Total</b>	<b>£0.00</b>