



## Compensation Policy

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## 1. Purpose

This Policy aims to determine our approach to dealing with customer compensation claims under the terms of our objectives and customer service standards.

For clarification 'customer' includes:

- Customers
- Leaseholders (residential and commercial)
- Shared Owners
- Devon Homelink customers
- Garage renters

It does not include private owners and / or those on our estates that have no contractual relationship with NDH.

## 2. Principles

- Payments for loss or damage will be paid direct to the customer, once evidence is supplied.
- Where NDH agrees to make a payment based on goodwill, inconvenience or distress, it will be credited to the customer's rent account when the account is in arrears.
- It will promote consistency in the approach to compensation.
- It will be open, fair and transparent.
- It will be reviewed whenever industry standards, legislation or guidelines change.
- It will reflect the current standards of operation and be informed by the views of the Company's staff, customers and Board members.
- It will be reviewed in accordance with statutory and legal obligations.

## 3. Review

We will review this policy at least once every 2 years to ensure that it continues to operate in line with our statutory and legal obligations and best practice.

Alternatively, the policy and all associated procedures will be reviewed immediately following any relevant change to government policy, regulation or legislation.

The Head of Customer and Housing Services will be responsible for ensuring that policy reviews are undertaken, that appropriate consultation takes place.

#### **4. Responsibilities**

The Executive Team has delegated authority from the NDH Board to approve this policy. The Head of Customer and Housing Services will ensure that this policy is communicated and implemented.

The Customer Experience Manager will provide training for staff to ensure that they fully understand the wider issues surrounding this policy and the procedure.

The Head of Customer and Housing Services is responsible for ensuring that this policy is communicated, implemented, monitored and reviewed.

#### **5. Scope**

This policy applies to the NDH Group and must be adhered to by all employees, Board members, involved customers, contractors (whether working in NDH offices or its homes), consultants and any other person granted access to data held or processed by NDH.

#### **6. Policy Statement**

Our aim in compensating Customers is returning them to the position they were in before a service failure or incident (e.g. home loss) occurred. There are different ways to compensate customers, which include – but are not limited to - financial redress, apologising, and carrying out specific actions to address service failures (e.g. redecoration, replacement of items damaged or lost).

Where financial redress is considered, there are two types of compensation payment:

- **Mandatory payments:** These are payments that legally we have to make for example, statutory home loss payments, right to compensation for improvements, and payments under the Right to Repair scheme.
- **Discretionary payments:** These are payments that it is within our discretion to make and relate to:
  - **Quantifiable loss payments** where customers can demonstrate actual loss. These could include increased heating bills due to heating failure, having to pay for alternative accommodation or take away food, paying for cleaning or carrying out repairs where NDH has failed to meet its obligations. These costs must have been reasonably incurred and evidence of such loss has been provided.
  - **Non-quantifiable loss payments** which recognise any time, trouble, distress and inconvenience which has been caused to our customers by service failures. We will calculate this using the principles and examples outlined in the Housing Ombudsman's 'Guidance on Remedies'. The outlines guidance on range of compensation awards and mitigating / aggravating factors to consider.

The Policy sets out the mandatory payments, as well as the circumstances where discretionary payments are considered, and also sets some discretionary payments below.

Where financial redress is offered, and the Customer is in debt to us (e.g. rent or service charge arrears, unpaid recharges) we will offset any payment of compensation against that debt. However, there are a number of circumstances where this would not apply:

- where we are legally obliged to make a mandatory payment such as a statutory Home Loss payment
- where our maladministration resulted in the debt in the first place,
- where the complainant has incurred additional 'out of pocket' expenses as a direct result of our actions or inactions.

## 6.1 Home Loss

*In circumstances where a customer is required to move permanently to another property NDH will pay compensation under The Home Loss Payments (Prescribed Amounts) (England) Regulations 2008*

Home Loss payments are payable where:

- the move is a permanent one and
- the move is necessitated by the redevelopment or demolition of the property (not simply major repairs) and
- the customer has lived in the property as their only or principal home for a minimum of 12 months immediately before the move.
- the customer is not in breach of an existing court order

The amount payable under a Home Loss payment is determined by The Home Loss Payments (Prescribed Amounts) (England) Regulations 2008.

## 6.2 Temporary moves / Decants

*NDH carries out repairs and improvement works to ensure that properties are maintained in a state of repair. There may be occasions where it is necessary to move customers temporarily out of their homes in order to undertake work. This may be due to health and safety reasons and/or the scale or nature of work involved*

Where NDH require a customer to move in order for major works to be undertaken to their property, or as a result of demolition or improvement, NDH may offer assistance towards the customer's removal expenses, including the reasonable costs of:

- a removal company (we reserve the right to approve / or nominate the removal company)
- disconnection / reconnection charges for electricity and gas
- the redirection of mail for the period of the works
- other reasonable out of pocket expenses. Reasonableness will be determined by the staff member assessing the claim and will be informed by services available in the temporary property and the duration of the temporary move.

Where a customer is moved out of their home in an emergency repair situation the company will make payments as follows:

- direct payment to hotel or local bed and breakfast as arranged by NDH
- where the customer finds own accommodation the company will pay a contribution of up to £50 per night on the production of receipts.
- Food, drink and provision of meals up to £20 per day per person.

Where a Customer is responsible for damage and/or cause of moving out temporarily NDH will not normally pay compensation. If the Company does arrange alternative accommodation it will be recharged to the customer.

### 6.3 Loss of services / facilities

*NDH may pay compensation when a customer loses use of facilities such as heating, hot water, gas, electricity and drinking water. It must be clear and evidenced that the loss is as a direct result of a failure / omission on the part of North Devon Homes*

Where NDH is at fault and there is a loss of service or facilities such as heating, hot water, gas/electricity or drinking water we will make every effort to find temporary solutions that work for our customers. NDH will also consider compensation claims for reasonable out of pocket expenses upon production of receipts.

Where a customer pays a service charge for a service which is lost and not repaired within our target repair times the amount of that service charge will be credited over the period.

Requests for compensation must be made within six months of the matter arising. If a customer has moved out of an NDH property, the complaint will still be considered as long as it is made within three months of moving out. This does not affect a customer's statutory rights

### 6.4 Right to Repair

*NDH will operate a 'Right to Repair' scheme as set out under the terms of the Housing Act 1994*

Details of our how we respond to repair requests can be found in HP 304 Responsive Repairs Policy (available on request). This also includes information on **qualifying repairs** and timescales

A customer has the right to claim compensation from the Company if a **qualifying repair** is not carried out within a prescribed period.

A **qualifying repair** is one that can be done quickly and easily, that will cost no more than £250 to carry out, and that might affect the customer's health, safety or security if it is not done.

If after appointing a second contractor the company fails to complete a repair by the end of the prescribed period a sum of £10 will be paid, with a further £2 payable for each additional day that completion of the repair is delayed.

The maximum compensation payable under this scheme is £50. The Company will pay compensation unless the customer already owes the Company money in which case any compensation due will firstly be used to repay any outstanding debt to the Company.

There might be a good reason why the repair has not been completed on time e.g. if specialist parts are needed or failure by the customer to keep an appointment to let the staff member/contractor in. In a case such as this, the Company will not have to pay any compensation.

#### 6.5 Right to compensation for improvements

*NDH will operate a Right to Compensation for Improvements as set out in the terms of the Housing Act 1994*

Customers who have carried out improvements to their home **with the written permission** of the Company may be eligible for compensation which is payable at the end of their tenancy. If NDH have not given written permission compensation will normally not be paid. In order to claim for compensation a customer must contact NDH within 14 days of the end of the tenancy including all necessary documentation giving full details of permissions granted.

A surveyor will assess the condition of the improvement during the standard void inspection.

Depreciation will be calculated in the following way:

$E \times (1 - N/Y)$  where  
E = eligible cost of improvement (net of any grant assistance)  
N = life span of the improvement  
Y = number of years since works completed (part years rounded up)

After depreciation has been calculated, a further adjustment may be made where the improvement has deteriorated at a greater rate than provided for in the notional life of the improvement.

Improvements that qualify for compensation (assuming permission was granted) with their associated notional life are outlined in the table below:



<b>Improvement</b>	<b>Life/years</b>
Bath or shower	30
Wash Hand Basin	30
Toilet	30
Kitchen sink	20
Storage cupboards in bathroom or kitchen	20
Work surfaces for food preparations	20
Insulation of pipes, water tank or cylinder	10
Loft insulation	20
Cavity Wall insulation	30
Double glazing or other external window replacement or secondary glazing	30
Rewiring or the provision of power and lighting or other electrical fittings (including main fitted smoke detectors)	30

#### 6.6 Compensation linked to complaints

*NDH may make discretionary compensation payments following a complaint or a failure in service*

Where the Company or one of its representatives has made a mistake the Company may wish to apologise and offer compensation. It may be that:

- customers suffer loss due to the failure to deal satisfactorily with repairs or maintenance (note that this is separate from the Right to Repair legislation)
- customers suffer loss due to other failures in service
- customers suffer financial loss due to spending excessive time and trouble achieving a solution to a complaint

The payment may be in the form of:

- a gift such as flowers/vouchers
- replacement of lost/damaged goods on a like for like basis
- services that would not normally be offered such as decorating
- monetary compensation.

Where a contractor has failed to undertake a repair or the repair has proved defective, we will recover from the contractor any compensation paid or request that the contractor consider offering compensation directly to the customer.

When a customer has suffered inconvenience the company may make a goodwill payment.

When NDH agrees a payment and the customer is in rent arrears, or owes a sundry debt, the payment will be made direct to their rent or sundry debt account.

In line with our Complaints Policy, complaints / requests for compensation must be made within six months of the matter arising. If a customer has moved out of an NDH property, the complaint and any compensation request will still be considered as long as it is made within three months of moving out. This does not affect a customer's statutory rights.

#### 6.7 Compensation linked to insurance

*NDH will seek advice from its Insurance Company and refer compensation claims as appropriate*

When NDH receives a request for compensation for any of the reasons already covered in the policy we will assess the value and nature of the request. When a person has been injured we will advise our Insurance Company of the request and forward any necessary information required to progress the claim.

All compensation claims that involve injury, significant events, public liability or are greater than the insurance policy excess, will normally be referred to our insurers, including claims by third parties.

## **7. Consultation**

NDH will consider all claims on a case by case basis having regard for personal circumstances, including the protected characteristics as defined in the Equality Act 2011 which are:

- Age
- Disability
- Gender Re-assignment

- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race
- Religion or Belief
- Gender
- Sexual Orientation

NDH aims to ensure that all its customers:

- are treated fairly and equally; and
- have peaceful enjoyment of their homes

The Company will produce this document or parts of it on request in other languages or formats such as large print to ensure that everyone is able to access the policy.

Language Line provides all corporate translation services and can be contacted on 0800 169 2879.

NDH are committed to the principles of fairness and respect and, therefore, seek to embed statutory guidance and policy relating to Equality and Diversity in all activities.

NDH will seek to ensure that it does everything reasonably within its power to combat any form of harassment.

Date	Consultation methodology	Challenge / impact / result

## 8. Equality Impact Assessment (EIA)

8.1 NDH will consider the personal circumstances of customers in applying this policy.

Identify potential impact on each of the diversity “groups”

Strand	No impact	Negative impact	Positive impact	Comments / evidence (if negative impact, how does the policy address this)?
Race	X			
Disability	X			
Gender	X			
Gender Reassignment	X			
Sexual orientation	X			
Religion or belief	X			
Age	X			
Rural issues	X			
Social Inclusion issues	X			
Pregnancy and maternity	X			
Marriage and civil partnership	X			

8.2 Does the Policy promote equality of opportunity?  
Yes

8.3 If “adverse impact” identified in the table above, please state how this policy addresses this

8.4 A full EIA is not required for this policy.

8.5 If suggestions for improvement have been suggested, what should the positive outcome be for North Devon Homes’ customers and stakeholders?

<b>Next review date:</b>	<b>Responsible Officer</b>
Every two years. Next review December 2025	Strategy and Performance Manager
<b>Author</b>	<b>Related Documents</b>
Strategy and Performance Manager	Response Repairs policy HP 304