

INTRODUCTION

The Grand Union Housing Group aims to ensure that our partner associations' customers receive a quality and timely service in which they can have a high level of confidence and satisfaction. However, it is recognised that there will be occasions where for one reason or another this has not been achieved and there may be justification in making a compensation payment. It is essential that our customers are aware of the circumstances when requests for compensation will be considered and when the payment of compensation might apply.

POLICY STATEMENT

This policy sets out the Association's approach to compensation and should be read in conjunction with the Association's Compensation Procedures and Customer Feedback Policy. The policy details when we will pay compensation, what form the compensation will take, and if monetary, how much we will pay and how we will pay it. The Association expects customers to take out contents' insurance and compensation will only be paid for damage to customers' furniture, personal property etc in exceptional cases. As compensation is complicated by the issues of fault and liability each case will be considered on its merits. If we differ on facts and interpretation, we will try to reach agreement with you, but the final decision must rest with us. The Association will generally consider claims for compensation under three different headings:

1. Service failures and loss of facilities;
2. Loss or damage to personal property or decoration;
3. Disruption and decanting during building works (see Decant Policy).

OBJECTIVES

- To provide guidance on the legal and regulatory requirements for the payment of compensation in certain prescribed circumstances.
- To provide guidance to ensure, where payment is discretionary, consistency and fairness in assessing compensation.

HOUSING CORPORATION REGULATORY CODE AND GUIDANCE

Section 2 of the Code requires housing associations to comply with all statutory and regulatory requirements. It also requires them to maintain the good reputation of the sector, foster positive relations with stakeholders and conduct business so they are accessible and transparent to residents and other stakeholders. This is all relevant in terms of managing and handling complaints and claims for compensation.

RELEVANT KEY LINES OF ENQUIRY (KLOE)

KLOE 1 – Prospects for Improvement
KLOE 30 – Access and Customer Care
KLOE 31 - Diversity

OTHER RELATED POLICIES

- Customer Feedback Policy
- Decant Policy
- Equality and Diversity Policy
- Decorating Allowance Policy
- Customer Care Policy

Service Failures and Loss of Facilities

In accordance with the Customer Feedback policy and procedure and the Compensation procedure, when considering the outcome of complaints it is necessary to consider whether compensation, financial or otherwise, is appropriate.

Although each case must be considered on its merits, compensation will generally be considered where:

- Exceptional worry, distress or inconvenience has been caused by the events;
- The complainant has spent an unreasonable and significant amount of time pursuing the matter;
- Specific financial losses have been incurred;
- A customer or leaseholder has had to live in poor conditions for longer than is reasonable due to their association's failure to deal satisfactorily with repairs that are the landlord's responsibility.

Offering compensation can help reduce dissatisfaction and resolve the complaint, however other outcomes must also be considered. The consideration of whether compensation is appropriate and the decision will be recorded with each complaint received.

Loss or Damage to Personal Property or Decoration

The relevant partner association will accept responsibility for unreasonable damage to a customer's decoration, or loss or damage to personal property not covered by the customer's own insurance, resulting from action for which it is responsible and where such damage could or should have been avoided. If any unreasonable damage or loss occurs when the partner association's contractors are carrying out work to the property, the partner association will ensure the damage is made good or the customer is compensated for the damage as quickly as possible. Compensation for decoration will normally be offered in DIY vouchers, as detailed in the Decorating Allowance Policy. Compensation may be payable where there has been an unreasonable or excessive use of a customer's own electricity supply.

In cases where the damage is due to building failure and not covered by the customer's own insurance the association's liability for damage to the customer's possessions will depend upon whether it can be shown that the partner association has been at fault in some way.

Disruption and Decanting During Building Works

The Decant Policy determines how the partner association will manage the decanting of customers and the way in which we will compensate them for this when it is not possible for customers to remain in their home whilst building works are carried out, or if they do, it will be extremely disruptive.

All properties need repair at some time or other and inevitably some disruption will be encountered. Compensation will only be considered where disruption during building works is particularly severe or where the partner association takes a wholly unreasonable time to complete the work.

Other Circumstances

Right to Repair

The tenancy agreement requires the partner association to comply with the right to repair scheme, which gives customers a right to be compensated if certain urgent or emergency repairs costing less than £250 are not carried out within specified time limits. These are called 'Qualifying Repairs' and are notified to customers when the repair is first reported. The scale of compensation is £10 plus £2 per day for each day the repairs remain outstanding, subject to a maximum of £50. Payment will not be made if the customer has failed to allow access to the contractor or the repair is not completed because of matters outside the partner association's control e.g. extreme weather conditions.

Right to Compensation for Improvements

Customers can also claim compensation for certain specified improvements which they have carried out during their tenancy. In order to make a claim the customer must submit 2 estimates from bona fide contractors to the relevant partner association, stating which estimate they wish to use and why. The partner association will consider the request and if approved will write to the customer giving permission. If improvements are made without supplying 2 estimates and receiving the prior written approval of the partner association, compensation will not be payable. Account is taken of the notional life of the improvement and any compensation applicable is paid only when the tenancy comes to an end. (This does not include customers who exercise the right to buy or right to acquire as compensation is expressly precluded in such circumstances).

Certain restrictions apply to entitlement to the payment of compensation. These include that it would not be payable when entitlement would be less than £50, or where a tenancy has ended because the customer has exercised the right to buy, or a Possession Order for the property has been awarded to the partner association.

The improvements that customers can make to their home for which they may receive compensation are as follows:

| | Notional Life |
|---|----------------------|
| Installation of bath or shower | 12 years |
| Installation of wash basin | 12 years |
| Installation of WC | 12 years |
| Fit kitchen sink | 10 years |
| Fit kitchen units | 10 years |
| Fit work surfaces for food preparation | 10 years |
| Installation of space or water heating | 12 years |
| Fit thermostatic radiator valves | 7 years |
| Insulation of pipes, water tank or cylinder | 10 years |
| Loft insulation | 20 years |
| Cavity wall insulation | 20 years |
| Rewiring or the provision of power and lighting Or other electrical fittings (including mains Operated smoke detectors) | 15 years |
| Any object which improves the security of the Dwelling house but excluding burglar alarms | 10 years |

Land Development Compensation

There may be occasions when GUHG wishes to develop a new site but is dependant on a customer giving up some of his/her garden to enable the development to go ahead. Under these circumstances it may be appropriate to offer the customer compensation as an incentive. Each case will be assessed individually and where appropriate, an offer of compensation made to the customer. It is important to note that compensation will not be payable by the relevant association where a private developer wishes the association to sell a portion of a customer's garden or a privately owned adjoining property owner wishes to buy a part of the customer's garden.

Claims

Claims made by customers must be submitted within 28 days of any situation giving rise to the claim. GUHG and its partner associations will not normally consider claims which date back earlier than 28 days. All claims will be acknowledged within 10 working days. In the case of damage to personal property, damaged items should not be disposed of, repaired or cleaned until they have been inspected by the relevant association.

Claims for compensation will be considered, in the first instance, by the Service Manager. The Managing Director and Assistant Directors within the partner associations have the authority to offer compensation up to a limit of £500, which can be delegated to the relevant manager, as appropriate. In these circumstances it is the responsibility of the service manager to keep the relevant Director informed on progress with the claim.

Any compensation above that limit must be approved by the relevant Management Team and reported to that association's Customer Committee. Any complaints or appeals will be dealt with in accordance with the Complaints and Appeals policy and procedures. All decisions will be given in writing with a time limit placed on the offer (see Compensation Procedures).

Payment of Compensation

This can be by way of rent reduction, direct payment or making good.

Rent Reduction

A rent reduction, either whole or partial, may be given. For example, where part of the accommodation is unable to be used or amenities have been lost (i.e. no toilet facilities or loss of heating) for an unreasonable length of time. However if the customer owes money to the partner association then this will be deducted from any reduction due.

Direct Payment or Making Good

This would take the form of a payment being made directly to the customer as appropriate either by the partner association or the contractor, the amount depending on the individual circumstances of each case. Wherever possible the partner association would in the first instance look to make good any damage caused. Where loss or damage has occurred an allowance will be made for fair wear and tear.

Payments made directly to the customer will usually be made by cheque, however if the customer owes money to the partner association then this will be deducted from any payment due.

N.B. Payments for loss or damage must not be offset against rent arrears, however, compensation may be used to reduce any arrears held on account.

Discretionary Payments

Discretionary payments can be made as a “good will” gesture, in situations whereby the customer has experienced a mild degree of inconvenience due to a failure on the part of the organisation, but may not have made a formal claim for compensation. These payments, for example, may take the form of a bouquet of flowers or basket of fruit etc. and will not normally exceed £50 in value.

MONITORING

This policy will be monitored through the annual policy review programme.

DISCRETION

You are expected to exercise discretion within the context of this policy. If you then act using discretion it should be recorded as to the reason(s) why.

Equality Impact Assessment carried out: Initial screen

Person responsible for review: Governance and Performance Manager

Date of review: March 2009

Date of next review due: March 2010