



Compensation Policy

Prepared By

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Manual Version Control

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COMPENSATION POLICY

INTRODUCTION

Pickering and Ferens Homes (PFH) aims to ensure that residents 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 residents and staff are aware of the circumstances when requests for compensation may be considered and when compensation might apply. Generally, compensation requests will be made as part of a formal complaint, however, this is not a necessary requirement for it to be requested or considered.

This policy sets out the circumstances when PFH will consider paying compensation when services fall below an acceptable standard and customers suffer a loss or inconvenience as a result. This Policy should be read in conjunction with the Complaints, Compliments and Suggestion Policy.

POLICY STATEMENT

This policy aims to ensure that:

- PFH deals with any issues raised as quickly and efficiently as possible
- Practical solutions, not just compensation, are explored fully to resolve a situation
- Where financial payments are considered appropriate, they are proportionate to the loss or inconvenience caused
- All persons making a claim or seeking compensation are treated in a fair and equitable way

In this policy, **compensation** is defined as suitable recompense, including money or another gesture, which may be provided by PFH when something goes wrong for a customer, or when a customer is inconvenienced as a direct result of the organisation's action or inaction.

Compensation can take the form of either **statutory** or **goodwill** compensation. These two forms of compensation are not mutually exclusive and may be used in combination as appropriate.

Statutory compensation is where there is a legal, or other external requirement to compensate.

Goodwill compensation is discretionary and may be given where we decide that a level of service, action or inaction is not in line with our service standards. This covers issues where we have financially disadvantaged a customer or where a service provided has not been at the level we would want

While PFH's policy is to treat residents fairly and equitably when they request compensation, the organisation is keen to keep its overall costs within annual budgets and avoid paying excessive amounts in compensation. It therefore expects residents

to take out contents insurance, and that compensation will only be given for damage to residents' 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 own merits. If PFH differs on facts and interpretation from those seeking compensation, the organisation will try to reach an agreement - but the final decision will rest with PFH.

PFH will generally consider claims for compensation under the following headings:

- Service failures and loss of facilities
- Loss or damage to personal property or decoration
- Disruption and decanting during improvement works
- Permanent or long-term loss of home
- Formal complaints

Although each case must be considered on its merits, compensation may also be considered where:

- Exceptional worry, stress, anxiety 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 resident has had to live in poor conditions for longer than is reasonable due to PFH's failure to deal satisfactorily with repairs that are the organisation'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 must be recorded with each complaint received.

The offer of compensation should:

- Be reasonable and fair
- Take into account the wishes of the resident
- Be procedurally sound
- Be provided in a timely manner
- Provide, as far as possible, a comprehensive resolution to the issue

Any calculation of a financial payment as compensation will take into account any degree to which the customer has contributed to the failure or loss suffered. In arriving at a figure for compensation PFH will take into consideration the following:

- The nature and scale of the problem
- The length of time it took to resolve the problem
- Whether those affected have particular needs that are made worse by the situation
- Whether the customer was offered but declined alternative services, such as a different contractor, which would have resulted in an earlier resolution of the problem
- Whether the actions of the customer were unreasonable where a complaint is a factor and whether the complaint was pursued with unnecessary or excessive detail

Wherever possible PFH will look to return the customer to the position they would have been in if the loss or service failure had not occurred.

SERVICE FAILURES AND LOSS OF FACILITIES

Compensation may be considered when repairs or maintenance that PFH is responsible for are not completed to a satisfactory standard and as a result the resident is unable to use or enjoy all the facilities in their home.

LOSS OR DAMAGE TO PERSONAL PROPERTY OR DECORATION

Compensation may be considered by PFH for unreasonable damage caused to a resident's decoration, or loss or damage to personal property, where this cannot reasonably be expected to be covered by the resident's own insurance, and irrespective as to whether they have chosen to take out insurance or not, resulting from action for which PFH is responsible and where such damage could or should have been avoided.

If any unreasonable damage or loss occurs when PFH's contractors are carrying out work to the property, PFH will ensure the damage is made good and/or the resident is compensated for the damage as quickly as possible. Additionally, compensation may be payable where there has been an unreasonable or excessive use of a resident's own electricity supply, and where this can be evidenced by the resident.

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

DISTURBANCE DURING IMPROVEMENTS AND BUILDING WORKS

All properties need repair or refurbishment at some time and inevitably a degree of disturbance and disruption will be encountered, particularly when major works are necessary. Compensation will only be considered where disruption during building works is severe or where the association takes an unreasonable time to complete the work.

For major improvement programmes (e.g. boiler, kitchen, bathroom and window and door replacements), all making good and decoration is included as part of the programme, and therefore no additional decoration work is required to be undertaken by the resident. Occasionally there may be some situations where residents are required to make good minor areas that have been disrupted. In these circumstances a decoration allowance of £35 per affected room will be offered in decoration vouchers.

STATUTORY OBLIGATIONS

PFH offers licences rather than tenancy agreements due to its status as an Almshouse provider, we are therefore **not** subject to certain statutory obligations relating to compensation where other housing associations may be. These obligations include:

- **Disturbance Payments (applies to assured tenants and leaseholders)**
- **Home Loss (applies to assured tenants and leaseholders)**

- **Right to Repair (applies to secure and assured tenants) and**
- **Right to Compensation for Improvements (applies to secure and assured tenants)**

PFH wishes to be fair and equitable in the treatment of its residents and will consider **Disturbance and Compensation Payments** as outlined in this policy. Each case of **Home Loss** will be considered on its own merits by the Home Services Director.

CIRCUMSTANCES FOR WHICH COMPENSATION WILL NOT BE PAID

Compensation will not be paid in the following circumstances:

- When all statutory and contractual obligations have been fulfilled.
- When contractors have been unable to gain access to the property to complete a repair.
- When further work is needed that could not have been anticipated and the resident has been kept informed.
- When the loss or damage has been caused by another resident in a neighbouring property (e.g. a leak from a washing machine)
- When the loss or damage has been caused by the resident, a member of their household or a visitor
- When the loss or damage occurred as a result of an unauthorised alteration to the property carried out by the resident or work not completed to the stated standard set by PFH
- When the loss or damage has been caused by a contractor or third party who is not acting on behalf of PFH, even if PFH has given permission for the resident to have work undertaken at their own expense.
- When the resident has not claimed for lost or damaged items within a reasonable period of time and they are unable to produce the damaged items for inspection
- Insurance claims relating to financial loss, damage to third party property or personal injury, as a result of negligence, which will be dealt with in accordance with PFH's insurance procedures
- When the mistake or failure has caused little or no problem or loss to the resident or any other person involved
- When the resident has appropriate insurance and it is reasonable to expect them to make a claim against their insurance policy
- When the resident could have taken reasonable steps to minimise any loss, including having current insurances in place as part of their responsibilities, e.g. house contents insurance or containing water from a leak
- If a service failure results in a loss that is beyond PFH's control, for example, a loss of gas or electricity or any other utility supply that PFH is not responsible for.

CLAIMS FOR COMPENSATION

Claims for compensation made by residents must be submitted within 28 days of any situation giving rise to the claim. PFH 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 association.

PAYMENT OF COMPENSATION

Compensation will be made by either a direct payment (cash or voucher), by way of goods or by making good any damage to the property. Payment will be made directly to the resident as appropriate. Where loss or damage has occurred an allowance will be made for fair wear and tear.

If the resident owes money to PFH (for example has outstanding arrears, rechargeable repairs, legal costs etc.) then any compensation awarded may be deducted from payments due to PFH.

All payments for compensation will be accompanied by a letter informing the claimant that:

- The payment is made in full and final settlement of their claim
- Acceptance of the money is acceptance that the claim has been settled

If a contractor working on behalf of PFH is responsible for the claim for compensation, where possible PFH will seek to ensure that the contractor compensates the resident directly. In some circumstances PFH may compensate the resident in line with the limits set out in this policy and seek repayment of the compensation from the contractor.

PERFORMANCE AND REPORTING

PFH will learn from situations where compensation has been paid and take steps to reduce the risk of them happening again.

Compensation payment data will form part of our complaints monitoring process to enable us to compare our performance against others where possible.

AUTHORISATION AND LIMITS:

The following authorisation and compensation limits apply:

	Approval	Amount
Goodwill Gestures	SMT	Up to £250
Service failures and loss of facilities	SMT	Up to £1,000
Loss or damage to personal property or decoration	SMT	Up to £1,000
Disruption and decanting during improvements and building works	<u>Improvement Programme</u> Property Services Manager <u>Other major works or</u> <u>disruption</u> SMT	£35 voucher per room Up to £1,000

Permanent or long-term loss of home

SMT (Subject to Board Report Approval)

Up to £5,000

SMT

Up to £1,000

Formal complaints

In circumstances where the recommended amount of compensation, with the exception of previously agreed home loss payments, is above £1,000 Board approval will be required.

PERSONAL INJURY AND LIABILITY CLAIMS

If the complainant makes a suggestion or claim that a failure in service by PFH has resulted in a personal injury or liability claim, the standard complaint procedure will be halted. In these circumstances the complaint will be forwarded to our insurers before responding to the complainant. There will be no right of internal appeal for these types of cases.

OTHER RELATED POLICIES

- Complaints, Compliments and Suggestion Policy
- Transfer and Mutual Exchanges Policy
- Equality and Diversity Policy