



# Compensation Policy

Reviewed February 2021



This policy sets out Broadacres' approach to compensation and ensures that the organisation meets its legal and regulatory obligations. It defines compensation as a payment or gift made when we agree that we have not delivered a service to an acceptable standard and practical solutions have failed to fully redress the situation.

It includes situations where we have a legal responsibility to pay compensation such as in relation to the right of repair, right to compensation for improvements, home loss and disturbance payments. It does not cover events which are covered by Broadacres' public liability or building insurance.

The policy should be read in conjunction with Broadacres' complaints policy and procedures.

**Aims:**

Providing a good quality service in response to the needs of our customers is a priority at Broadacres. However, we accept that things can go wrong and as a result it may be appropriate to pay compensation.

This policy aims to make sure that our approach to compensation is fair and consistent and support our priority of delivering a good quality service. We do not see compensation as a 'quick fix', and we will address the causes of actions and processes that continue to give rise to potential compensation.

To achieve our aims, we will adopt the following guiding principles;

- Compensation should never be offered in place of providing a practical solution.
- Compensation for loss or damage should be quantified and supported by evidence and each claim will be considered on its own merits.
- Compensation will be financial unless another, more appropriate remedy is available.
- Compensation for non-financial loss, such as inconvenience should be a proportionate reflection of the impact of our actions (or inaction).
- Compensation for non-financial loss should only be considered where there has been a significant impact on the customer and not just for minor inconvenience or upset where a simple apology would be more appropriate.
- Guidance will be provided for staff when calculating compensation payments to ensure consistency, fairness and accountability.
- Compensation will not normally be paid in respect of an event that happened more than six months previously unless there are exceptional circumstances.
- A compensation request need not be made as part of a formal complaint.

Circumstances when compensation may be appropriate: The following circumstances may lead to compensation:

- A general service failure
- Damage to tenants' fittings or fixtures during repair or improvement work.
- Loss of facilities where a tenant is unable to use part(s) of their home where that loss is the direct result of Broadacres' actions or inaction.

This list is not exhaustive, and compensation may be considered under different circumstances.

The level of compensation to be paid should take into account the personal circumstances of the customer, for example regarding guidance for loss of amenity the loss of heating could be compounded by the season or if the customer is elderly, has children or a disability. In addition the spirit of the policy is that where a customer's goods or possessions are damaged then the level of compensation should not disadvantage them from the position they were in prior to the damage or loss.

In addition, compensation may also be paid (mainly covered by separate policies):

- If we don't deliver a service for which a specific charge is made. This is covered by our Service Charge policy.
- Failure to complete certain repairs within set timescales known as 'qualifying repairs' and which is included in our 'Right to Repair' policy.
- Under the 'Right to Compensation for Improvement' scheme (compensation on the termination of tenancy for certain improvements carried out by the tenant) which is included in a separate policy.
- If we ask tenants to move out of their home to carry out major works, we will pay the costs related to moving. If tenants have to move permanently, they will also be entitled to a home loss payment, if they have been a tenant for a minimum period of 12 months.

### **Situations not covered by this policy:**

This policy does not cover:

- Claims for damage or personal injury arising out of the alleged negligence of ourselves or our contractors or agents. These will be dealt with through our insurers.
- Claims arising from incidents that would normally be covered by contents insurance, e.g. a burst pipe. Tenants are advised to take out their own insurance and the association offers a scheme which allows premiums to be paid on a fortnightly basis.

### **Claiming for compensation:**

Claims should normally be made within six months of the incident. Claims can be made by:

- phoning our Contact Centre on **01609 767900**;
- calling into head office;
- e-mailing us at **info@broadacres.org.uk**;
- writing to us.

Customers can ask someone else to contact us on their behalf, but we would need to confirm in writing that the customer has given their permission before we can give information to anyone else.

**We will try and reply to claims within 10 working days.**

### **Compensation for a general failure of service:**

We will consider compensating a tenant where the length of time taken to resolve the problem has been unreasonable or where we have failed to act in accordance with our policies.

When determining the level of compensation to be offered the following aspects will be taken into consideration:

- The problems caused by Broadacres getting it wrong.
- The length of time it took us to resolve the problem.
- Whether those affected have particular needs that were made worse by the situation.
- The difficulties the tenant experienced when making us aware of the issue.
- How quickly and easily the issue was then resolved.

The circumstances of each case will determine both whether or not compensation will be awarded as well as the level of any award. As these circumstances will vary significantly, then any guidelines on the likely range of an award have to be broad although the overriding principle is that the amount of compensation awarded must be appropriate and proportionate.

The following matrix provides guidance on the likely maximum values which could be awarded based on the level of our responsibility and the level of impact on the tenant affected by the service failure.

<b>Degree of Broadacres responsibility</b>	<b>No impact</b>	<b>Low impact</b>	<b>Medium impact</b>	<b>Major impact</b>
None	£0	£0	£0	£0
Partial	£0	£25	£50	£100
Full	£0	£50	£200	£500

In all cases there must be an acceptance that a mistake has been made or that the tenant has just cause to raise the issue by virtue of the treatment received or other circumstances of the case.

Given this, the following guidelines should be followed in determining the degree of impact on the tenant, but it is a matter for the relevant Head of Service / Head of Communications to interpret them according to the specifics of each case.

Any payment made under this policy will be in full and final settlement of the issue and will be made 'without prejudice' and is not an acceptance of any liability.

**Low impact:** where the tenant has just cause but has not suffered any significant inconvenience as a result of the service failure. The circumstances are such that whilst the required standards were not met, the impact was no greater than a reasonably tolerant person could be expected to accept, and the award constitutes a token in acknowledgement of our failure.

**Medium impact:** where the failure is clearly an injustice to the tenant and the service has markedly failed to meet the required standards. A repeated failure of Broadacres to address the shortcoming, even of a low impact event, could give rise to consideration of a medium impact level of award.

**Major impact:** these relate to a serious failure in service standards. It could either be the severity of the event or a persistent failure over a protracted time or an unacceptable number of attempts to resolve the issue. A major impact could also apply where, by virtue of the actions or inaction of Broadacres, the tenant has reasonably incurred expenses that are directly related to the issue. Such expenses shall only be considered to the level that is commensurate with the actual issue and will not cover loss of earnings for example.

**Compensation for damage to tenants' fittings or fixtures during repair work:** Whilst carrying out repairs there may be unavoidable damage to tenants' decorations or other fittings or fixtures.

In the case of decorations, we will carry out reasonable redecoration or provide a decoration pack for the tenants to carry out the work themselves.

In the case of other fittings or fixtures, such as floor coverings, we will consider the circumstances of the case and may provide compensation, which could involve repair or replacement by us, our contractors or suppliers. We will not consider compensation if the damage occurs:

- As a result of the original fitting or fixture being incorrectly installed or fitted by the tenant.
- To a fitting or fixture that the tenant has installed without obtaining the required permission.

We will normally only pay compensation for the area or item affected for example, if a carpet is laid in more than one room we will only consider replacing it in the room where the damage has occurred.

If the damage occurs as a result of the negligence of ourselves or our contractors, then this will normally be referred to our insurance companies. This includes damage to tenants' personal possessions.

**Damage to tenants' fittings or fixtures during major planned work:**

If we are carrying out major planned work, such as central heating replacement, which is likely to cause damage to tenants' fittings or fixtures, we will try to identify this in advance and discuss with the tenant the options available to minimise the damage. If damage is unavoidable then compensation may be paid, or a decoration pack issued. If a tenant chooses an option that creates additional damage, they will not receive additional compensation e.g. if a tenant asks for a fireplace to be removed when it could be left in position.

If we are installing new kitchens and bathrooms we will paint the area affected and offer a replacement floor covering.

## **Compensation for loss of facilities:**

Where a tenant has lost the use of a room within their home as a result of repairs or improvements which are the responsibility of Broadacres, compensation may be payable.

If a room has not been habitable and cannot be used then Broadacres will pay compensation after a period of 1 week continued loss. The amount of compensation payable will be the equivalent to a percentage reduction on the gross rent charged for each full week the room is unusable. The maximum reduction for rooms will be 40% of the gross rent regardless of how many rooms are unavailable to use. Clearly the limit does not apply where the home is no longer available due to the event.

The table below shows which facilities we may compensate for if lost and does not extend to loss of gas supply, electricity or water to the property as Broadacres is not responsible for the supply of these utilities.

<b>Compensation for loss of facility</b>	
<b>Room</b>	<b>% reduction</b>
Total loss of heating	30%
Total loss of hot water	30%
Kitchen	25%
Bathroom	25%
Living Room	10%
Bedroom(s)	20% each

- Where the loss is due to planned works agreed with the tenant, compensation will not be considered unless the work has taken unreasonably longer than originally promised.

## **Payment of compensation:**

If any money is owed to Broadacres, then any monetary compensation will be offset against the amount owed. Compensation may be provided by:

- decoration packs, or
- repairing the damage or replacing an item, or
- credit to rent or other accounts, or
- BACS payment or cheque.

## **Appeals:**

Any dissatisfaction with the operation of this policy will be dealt with through Broadacres' complaints system.

Broadacres Housing Association  
Broadacres House  
Mount View  
Standard Way  
NORTHALLERTON  
North Yorkshire  
DL6 2YD

**TEL: 01609 767900 EMAIL: [info@broadacres.org.uk](mailto:info@broadacres.org.uk)**

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Broadacres Housing Association Limited is an exempt charity and a registered provider of social housing, Homes and Communities Agency number: **LH4014**, and a registered society under the Co-operative and Community Benefit Societies Act 2014, registered number: **27656R**