



Compensation Policy

Aim and scope of policy

This policy outlines our approach to providing compensation in a fair, consistent and proportionate way and in line with the Housing Ombudsman's remedies guidance. This policy applies to all our customers who have a contractual relationship with us, regardless of tenure. We do not award compensation through our internal complaints process to any party who is not a VIVID customer.

The aim of the policy is to:

- Establish when we will award compensation
- Provide consistency and fairness in our approach to compensation
- Ensure compliance with any statutory and regulatory obligations.

All staff need to be aware of this policy.

Definitions

For the purpose of this policy there are three types of compensation:

- **Statutory Compensation Payments** are payments predetermined through legislation and regulation
- **Financial Loss Payments** will be made for unreasonable and evidenced financial losses incurred by our customer as a direct result of our failure to deliver the service
- **Discretionary Redress** are discretionary gestures or payments made in acknowledgment of the impact of a service failure where practical actions alone are unable to restore a customer to their position prior to a service failure.

Policy

As a not-for-profit social landlord, our funds are used to invest in our housing stock and the development of new homes to meet housing need. However, we do recognise that where we fail in our services to customers, as well as ensuring the issue is rectified, an award of compensation may be appropriate. It enables us to restore a customer's position following a service failure and redress losses covered in this policy, enabling us to maintain positive customer relationships.



Statutory Compensation Payments

The statutory compensation payments are the right to repair, right to compensation for tenants' improvements, and home loss and disturbance allowances which are covered under the Land Compensation Act.

These payments are all covered under legislation which provides clear criteria under which they are paid and the amounts that are payable

Non-Statutory Compensation

We are unable to award compensation to a customer where:

- We have not recorded our customer's dissatisfaction either through our formal complaints process or as a service request
- Claims are made where service standards have been met or where services had not been requested
- Claims are relating to incidents that happened over twelve months ago, unless the customer has only recently become aware of the situation
- Claims are relating to services not provided by us or are outside of our control
- Claims are subject to tribunal or legal proceedings
- Claims are for damage to personal belongings that are ordinarily covered by a home contents insurance policy
- Claims are for damage to personal belongings or personal injury as a result of alleged negligence by us which are civil legal matters.
- The fault is due to a customer's own action, lack of action or wilful damage (including those of a family member, visitor or neighbour)
- The fault or damage is due to a third-party e.g., a utility supplier
- The claim is for short-term nuisance caused by building works
- The impact is due to circumstances beyond our control e.g., severe weather
- Claims are made in relation to loss of earnings.
- The handover of a new property is delayed by developers unless we have failed to communicate with our customer, or the delays are outside of the contractual agreement we have with the developer.
- Reimbursement is requested for contractor or repair costs without having our prior written permission

In accordance with the terms and conditions of the tenancy agreement or lease, customers are required to maintain rent and/or service charge payments whilst we investigate and process compensation.

Where we award compensation due to failings of a third party in a contractual relationship with us, we will endeavour to recover those costs from the third party.



Compensation will be offset against any debts owed by the customers unless the compensation offered is a financial loss payment to reimburse the customer for out-of-pocket expenses. This will be at the discretion of the Head of Service level or above.

To help resolve issues quickly, we may award discretionary compensation prior to a complaint being raised, if the issue or service request can be resolved quickly and simply and our customer is satisfied with the response.

The discretionary amount will be credited to a customer's rent or service charge account, enabling our customer to pay a reduced value at the next payment due date, as long as there are no arrears on the account. This only applies to matters where formal complaint investigation is not required such as:

- Missed appointments without prior notification- £10
- Failure to call customer back within prescribed timescales £10

The maximum amount that can be awarded for a service failure identified in a 'service request' is £30. We monitor these payments to ensure awards are appropriate and to ensure we continue to listen to and learn from our customers feedback to develop our services.

Financial Loss payments

Customers may be entitled to financial loss payments under the following circumstances:

- Loss of use of facilities and amenities (unless due to planned improvements and agreed with customer)
- Additional utility costs have been incurred due to using substitute heating and dehumidifiers which would have been above the normal expected spend
- Other financial losses as a direct result of a service failure (excluding earnings)

We will ask for proof of these losses. Where this is not practical, we may pay an amount in recognition of the fact that the complainant has incurred costs that would not have arisen had the service failure not occurred.

Any recompense for loss of use is based on a % of the rental charge. Where all, or part, of the rental charge is paid through Housing Benefit or Universal Credit, we reserve the right to exclude this proportion of rent from the financial loss payment paid to the customer.

Discretionary Redress

Where practical actions alone are not able to restore a customer to their position prior to a service failure, we may consider discretionary compensation. We will consider the severity of the service failure and the impact on the individual customer, dependant on



their household circumstances. This will not always be financial and, in many instances, may be gestures such as:

- A personal contact to apologise
- A letter of apology
- Flowers
- A card
- An additional clean

We may also, on occasion, offer redress by enhancing our service e.g. repairs or redecoration for areas which would ordinarily be customer responsibility.

Discretionary gestures or payments may be awarded for such things as:

- Failure to follow policy or procedure
- Delays in providing a service or resolving an issue
- Loss of amenity outside of published standard times.

When assessing discretionary payments, we will take into account:

- The number of service failures the customer has experienced (each should be assessed separately)
- The level of inconvenience caused to the customer, taking into account their personal circumstances
- The nature of the service failure
- The level of distress caused to the customer
- The duration of the service failure
- The effort the customer applied in getting the matter resolved.

Where a service failure has resulted in extensive decorative damage to the home, we may provide discretionary decoration vouchers to assist with redecoration costs.

Complaint handling

Where there is evidence that a complaint has not been handled in accordance with our complaints policy and procedure, we will acknowledge and apologise for this. On occasion, we may award compensation. Awards will reflect the seriousness of deviation from the policy and the impact that this has had on the customer in seeking resolution to their issue. This may include situations like:

- Failure to record an expression of dissatisfaction as a complaint
- Failure to escalate a complaint to the next stage of the process when requested



Failing to keep customers updated during the duration of their complaint or a delayed response.

Responsibilities

All staff are responsible for the correct application of this policy and delivery of services to our customers. We will use our discretion, with Head of Service level or above approval, in the implementation of this policy and may at times make a decision outside, but within the spirit, of the policy.

Related documents

- Complaints Policy
- Equality and Diversity Policy
- Data Protection Policy
- Compensation Guidance Framework
- Decant Procedure
- Home Loss Payments (Prescribed Amounts) (England) Regulations 2007, 2020, 2022
- Tenant Involvement and Empowerment Standard
- The Housing Act 1996
- Right to Repair Scheme 1994
- Right to Compensation for Tenants Improvements Scheme 2001
- Land Compensation Act 1973
- Data Protection Act 2018
- Equality Act 2010
- Sales Policy
- Housing Ombudsman Scheme and Code
- Housing Ombudsman Compensation Policy
- Housing Ombudsman Guidance on remedies

Consultation requirements	Last Consultation Date	Date for next consultation
Customers	August 2023	August 2026
Equality Impact Assessment required?	Last EIA date completed	
Yes	September 2024	

Author	Owner	Approved By	Date Approved	Review date
Complaints Resolution and Improvements Manager	Customer Service Director	Executive Team	October 2024	October 2025