

Compensation Guidance



1. Guidance Summary

- 1.1 This guidance sets out the grounds and basis upon which financial redress may be awarded in relation to service failure. This guidance document should be used in conjunction with the relevant complaints policy and procedure, and any other pertinent operational policies and procedures when assessing whether failure has occurred.
- 1.2 We are committed to providing a quality service, however there may be occasions when our service fails or falls below our published standards.
- 1.3 If we fail to meet the level of service set out in our published standards, staff should feel empowered to put things right. Non-financial remedies are usually appropriate (such as an apology or explanation) although in some circumstances paying compensation and/or a gesture of goodwill, may be appropriate to cover loss, inconvenience caused or to reflect Sanctuary's apologies.
- 1.4 This guidance does not apply to requests for compensation from organisations with whom Sanctuary has a business contract to provide a service. Service failure in such cases will be dealt with under the terms of the contract.
- 1.5 By following this guidance, staff will be able to:
 - identify the circumstances under which compensation can be paid and/or a goodwill gesture may be made;
 - make sure payments are properly assessed, monitored and controlled;
 - apply consistency to ensure fairness for all customers; and
 - recognise that claims need to be considered on the merits and circumstances of individual cases.

2. Scope

- 2.1 We can consider offering compensation for:
 - Time, trouble and inconvenience due to Sanctuary's action or inaction.
 - Delayed or poor responses to customers' complaints.
 - Lack of, or unreasonable delay to, the provision of services.
 - Additional costs incurred due to Sanctuary's action or inaction.
 - Loss of facilities, including rooms or key installations within a room, and where the issues have not been rectified within published timescales once reported.
 - Damage to or loss of belongings due to Sanctuary's action or inaction.
- 2.2 We will take an evidence led approach to offering compensation and will not make offers based solely on belief or probability.

2.3 There are certain circumstances where we will not consider offering financial redress through the complaints process, and examples include (but are not limited to):

- Where the fault is caused by a third party not contracted by Sanctuary.
- A service or item that Sanctuary is not responsible for.
- Circumstances beyond Sanctuary's control, such as storm damage.
- Where a claim could be made on home contents or building insurance and the complainant has either chosen not to make such a claim, is unhappy with the outcome of a claim or has no insurance.
- Loss of earnings, including rental income.
- Where an incident was caused by customer negligence, their visitors or household, or their failure to comply with the terms of their agreement;
- Where a customer has unreasonably prevented or delayed resolution of the issue.
- Where there is evidence that a resident's lifestyle has resulted in condensation and mould growth due to lack of heating or ventilation, or lack of adequate airflow;
- Where there is, or has been, a payment ordered by a court or tribunal..
- Where a complaint has been previously investigated and closed.
- If items or goods have been stored inappropriately, such as a shed, loft, garden area, garage or temporary storage not provided by Sanctuary.
- Instances when customers have instructed surveyors, advocates or contractors without Sanctuary's written permission or advice.
- Personal injury claims or claims for damages in excess of £5000. These will be handled by the Group's external Insurers.
- Requests for costs incurred during any period that a customer is decanted from their home. This is covered in Sanctuary's Tenancy Management policy and procedure.
- Requests for home loss payments or compensation for improvements.
- Requests for compensation where a legal claim has been made for the same items or issue. This will be dealt with by Sanctuary's Legal team.
- Where there is an alternative means to resolve a claim such as a legal claim or tribunal, and details have been provided explaining this.

3. Assessing compensation

3.1 When considering offering compensation we will consider the following:

- The overall time, trouble and inconvenience suffered and whether this was reasonably foreseeable.
- Whether non-financial compensation has already been offered.
- An assessment of whether the loss or inconvenience could be prevented or minimised in any way by the resident.
- Any known costs that have been reasonably incurred;
- Consideration of the household vulnerabilities.
- Recognition of any failure to follow policies and procedures.

4. General compensation - applicable to all customers

4.1 Time, trouble and inconvenience

4.1.1 This will be considered only where there is evidence that there has been a service failure by Sanctuary that has impacted on the customer. Examples include, but are not limited to:

- failure to follow policy and procedure leading to a delay or inaction;
- lack of or delays to responses to enquiries within a suitable timescale; and
- providing incorrect, insufficient or partial information.

4.1.2 Compensation for time, trouble and inconvenience will be offered taking into consideration both the impact that the service failure has had, and the effort the customer has needed to make for the issue to be resolved.

4.1.3 Examples of 'high effort' on the customer's behalf are:

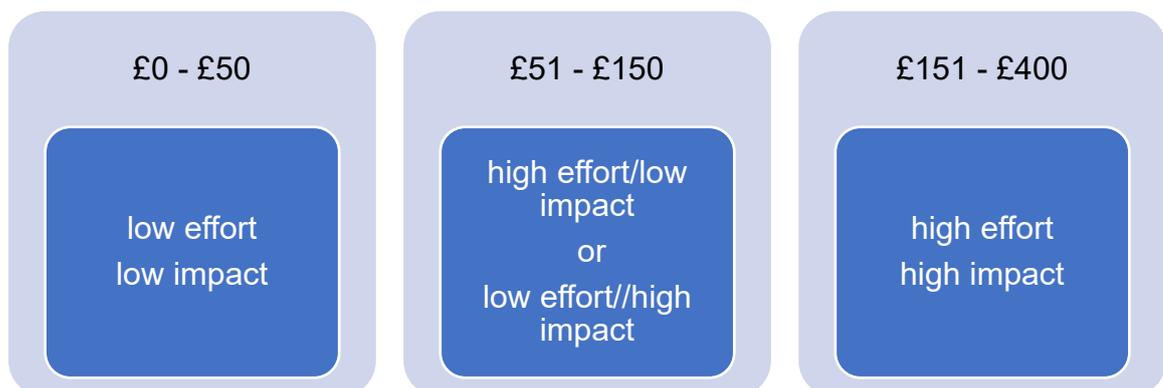
- high volume of letters, emails or calls **required** to resolve an issue;
- needing to involve external agencies such as the Housing Ombudsman, MP, Councillor in order for an issue to be responded to;
- repeated requests for information/clarification on an issue due to poor quality responses given by staff.

4.1.4 Staff will also consider whether the efforts made by the customer are proportional and reasonable under the circumstances. Staff will take guidance from the Case Resolution Team where they believe that a customer may have acted unreasonably to ensure that each case is considered independently.

4.1.5 Examples of 'high impact' on the customer due to a service failure are:

- Excessive delays to works being carried out or issues being resolved.
- Preventing a customer from enjoyment of their home.
- Delays in the customer accessing appropriate advice/support.
- Failures to make reasonable adjustments to meet their needs.
- Erroneously taking action against an individual's tenancy.

4.1.6 Payments of up to £400 may be made in recognition of time, trouble and inconvenience of a service failure, using the scale below:



4.1.7 Time, trouble and inconvenience examples

Example 1

A customer reports that works have not been completed to their kitchen following a leak which was attended to within 24 hours. The customer has not reported the issue to Sanctuary previously and it is noted that the issue is cosmetic and not structural.

The review confirms that it has taken 45 days for the works to be resolved in full and that during this time, the customer has had full use of the area but the resultant marks are unsightly. The customer had called once in the interim to check on the works but no response or timescales were provided.

Based on the above, this would be considered low impact (cosmetic issue) and low effort (the customer had called once in the meantime), therefore an offer for time, trouble or inconvenience would likely be between £25 and £50.

Example 2

A customer writes to the Chief Executive to report that grounds works have not been completed and that the grass is too long which is unsightly. This is followed by several emails to senior managers with photos of long grass in the communal areas.

On review, it is confirmed that the grass cutting could not be completed due to poor weather and boggy ground. The customer and other residents had been informed of the issue with the works and advised that additional work would be completed when the weather improved to resolve the problem.

Based on the above, this would be considered low impact (unsightly, but low impact on the customer) and high effort (emailing multiple staff and the CEO). However, as explanations had already been given, no financial redress would be offered.

Example 3

A customer complains to their MP that their concerns about ongoing targeted ASB have not been handled appropriately and that the housing team are not responding to issues reported or keeping them updated. The customer notes that this has been affecting them for the last six months and that they have rearranged the living arrangements for their child due to the impact the situation was having on their sleep.

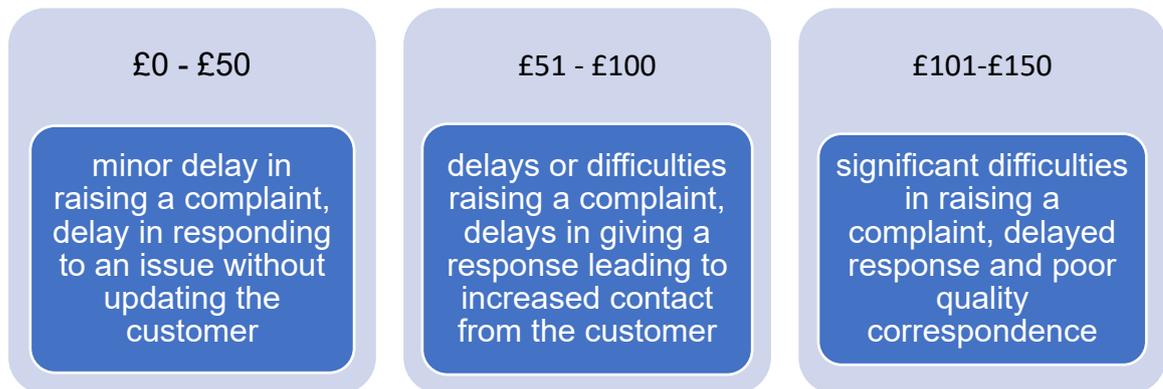
The complaint confirms that seriously disruptive ASB has been taking place for some time. Staff have been taking action against the perpetrator and with other agencies, but the customer has not been kept updated throughout, emails not being responded to and minimal information provided.

Based on the above, this would be considered high impact (proven serious and sustained ASB) and high effort (due to non-responses, the customer contacted the MP). A payment between £151 - £400 would likely be offered.

4.2 Poor complaint handling

4.2.1 Redress will be considered only where there is evidence that a complaint has not been handled in accordance with our complaints policy and procedure. Offers will reflect the effort made by the customer in order to resolve the issue and the impact that this has had on the customer.

4.2.2 Payments of up to £150 may be made in recognition of time, trouble and inconvenience of a service failure, using the scale and examples below:



4.2.3 Complaint Handling Examples:

Example 1

A complaint review confirms that a customer filled in the online form to complain about the time taken for damp works to be completed. The complaint form was not reviewed or raised as a complaint for two weeks. No updates were provided until the customer called.

Based on the above, an offer between £51 - £100 is appropriate.

Example 2

An investigation complaint about service charges finds that at the first stage, incorrect information about the charges was provided and that the customer was not informed that they have the right to refer their issue to the First Tier Tribunal.

Based on the above, an offer between £101 - £150 is appropriate.

Example 3

A customer complained that a housing officer was rude during a conversation. Although an initial response was given the next working day by the relevant manager, no complaint was raised until the customer requested that the issue was escalated.

Based on the above, an offer between £0 - £50 is appropriate.

- 4.3 It should be noted that payments for time, trouble and inconvenience and poor complaints handling will usually be offset against any arrears or outstanding debt, depending on the status of the customer's account.
- 4.4 Gestures of goodwill
- 4.4.1 Gestures of goodwill may be offered to any customer (tenants and homeowners) at the discretion of the officer handling the complaint and their associated approval limits.
- 4.4.2 Wherever possible, staff will look to offer non-financial gestures of goodwill and are encouraged to consider:
- arranging works over and above our repair responsibilities;
 - flowers or household plants; or
 - vouchers such as paint packs.
- 4.4.3 Staff may discuss any proposal of goodwill gestures with the customer in order to understand what would be meaningful to them, and the officer handling the complaint should look to fulfil any suggestions where it is reasonable and proportionate to do so.
- 4.4.4 Examples of goodwill gestures are shown below:

Example 1

A customer complained that his property was handed over in a poor quality following void works. It was confirmed that although void works were completed, rubbish and dust had not been removed. An apology was given and to resolve the complaint, operatives returned to the property to put right the mess and as a gesture of goodwill, a decoration pack was provided to allow the customer to redecorate the affected rooms.

Example 2

An MP complained that a constituent did not have heating or hot water over the Christmas period, on review it was clear that the customer had not made staff aware of her situation and there was no service failure. To resolve the issue, operatives were sent to investigate the issue within 24 hours and a replacement boiler was installed. As a gesture of goodwill, the customer was sent flowers once the heating had been restored.

Example 3

An advocate complained that their client's property had not been redecorated in the last 15 years whereas other properties in the same scheme had been refurnished. Through the complaints process, it was confirmed that it was the tenants responsibility to carry out the works and that the other properties were a different tenure. Whilst there was no service failure, due to the unique situation the customer was in, it was agreed that Sanctuary would contribute 50 per cent of reasonable redecoration costs, on the production of the associated quotes and invoices.

5. Repairs compensation - rented residents only

5.1 Compensation will only be paid if Sanctuary have not completed repairs within our published timescales and the failure is due to our action or inaction.

5.2 Compensation may be paid in line with the schedule below:

Reason for compensation	Action/Amount Payable
No heating (total loss)	£3 per day, per household between 1 Oct-30 April
No hot water (total loss)	£3 per day, per household
Food allowance (total loss of cooking facilities)	Meal allowance per day of £15.50 per adult and £9.00 per child under age of 6
Missed appointment	£10, only where it is clear residents were not informed of any changes with reasonable notice of a change
Damage to or loss of personal belongings, property or decoration	Compensation up to an amount which will allow the claimant to purchase a like for like replacement. Staff may obtain their own quotes to support an offer
Decorating allowance	Decoration vouchers as set out in the Allocations, Lettings and Transfers procedure for rooms affected
Temporary Heating	£4 per heater up to £100, per day between 1 Oct-30 April after which evidence will be requested
Temporary Dehumidifiers	£2, per dehumidifier, per day

5.3 Room loss allowance

5.3.1 Sanctuary assess the habitability of a property and use of the rooms at the point that a repairs request has been requested. This is usually through the attendance of a suitably experienced Sanctuary operative or surveyor.

5.3.2 Where a property is found to be uninhabitable, staff will arrange for a decant to be undertaken. All payments to the customer will be made in line with the decants process.

5.3.3 Where a property is found to be habitable, but the customer is concerned that their individual situation or vulnerabilities mean that the property is not habitable or safe for them, housing officers will be asked to assess the household needs and the works required to make a final decision as to whether a decant should be arranged.

5.3.4 If a customer remains in their property and is not decanted, compensation will be offered. For each room found to be unusable following submission of suitable evidence, residents can receive up to the following proportion of rent after 48 hours of the initial request if the issue is not resolved:

Room	Maximum percentage of rent
Kitchen	30%
Bathroom	30%
Bedroom	20%
Living/dining room	10%
Garden/outdoor space	10% (summer) 5% (winter)

- 5.3.5 If only a part of a room or external area is unusable then the percentage will reflect this; for example, unusable cupboards in a kitchen 30 per cent would not be appropriate, rather five per cent could be offered depending on the impact on the use of the room or outdoor area.
- 5.3.6 If more than one room is affected, staff will increase the offer of compensation to a maximum of 50 per cent of rent.
- 5.3.7 Compensation for loss of external areas will normally be considered only between 1 April and 30 September except for a long-term loss of the area such as due to significant works or garden treatments. Discretion will be applied if the access to and from the property is affected.
- 5.3.8 Examples of calculations using the room loss allowance are shown below:

Example 1

A customer's property was inspected and it was noted that works were required to the ceiling of the living room. The customer was asked to clear the room and not to use the room until the ceiling was replaced. Works were completed after 56 days, due to the need for a specialist contractor to attend.

Appropriate room loss allowance would be 10 per cent of the rent for the period due to a full loss of the living room for this period.

Example 2

Following inspection, it was agreed that a customer's toilet was not working and required replacement. In the interim, the customer had full use of the bathroom and a second toilet in the property. Works were completed 28 days after the inspection.

Appropriate room loss allowance would be between 10 per cent and 20 per cent of the rent due, as the bathroom was available for use but the toilet was not. The level offered will depend on the customer's individual circumstances and usage of the upstairs toilet.

Example 3

A customer was unable to use the second bedroom and living room of their property due to damp works being required. In the interim, the customer was unable to house their children who visited for weekends as their room was affected (evidence of the agreement was provided). Works were completed after 14 days of the inspection.

An appropriate payment would be between 30 per cent and 40 per cent as although only two rooms were unavailable and the usual payment would be 30 per cent, the impact on the customer was significantly greater as their children were unable to visit in line with their family agreement.

6. Repairs compensation - homeowners (including shared owners)

- 6.1 The general compensation section 4.0 applies to homeowners, including shared owners.
- 6.2 Compensation relating to services provided through service charges are covered in section 7.0 Communal Service and Service Charges.
- 6.3 We will not carry out repairs where we have no obligations under the lease or transfer to do so, except for defects to a newly constructed property during the relevant defects period as detailed in section 8.0 Newly Developed Properties.
- 6.4 Homeowners are encouraged to have their own contents insurance. While not compulsory, we will not offer compensation for costs incurred due to a decision not to insure contents. Buildings Insurance is general provided by Sanctuary, although our obligations will be detailed in individual leases. Claims should be made to the relevant insurer whether provided by Sanctuary or arranged by the owner, and any excess will be payable by the owner.
- 6.5 If a homeowner lets out their property, we will not compensate for the loss of rental income and any compensation paid will be discussed and credited to the homeowner directly and not their tenant.

7. Communal service and service charges

- 7.1 Where customers pay for a support service or service to a communal area and we have failed to provide this in line with published specifications, we may recompense customers through one of the following approaches.
- 7.2 Fixed Service Charges
 - 7.2.1 Sanctuary may reimburse the customer for the relevant charges for the period will usually be paid once the service has been resumed. It should be noted that this will relate only to the service provision, and not maintenance costs.
 - 7.2.2 It is only in a small minority of cases that Sanctuary will reimburse all residents at a scheme without individual complaints being raised and this is at the discretion of the Operational Manager or Head of Housing.

7.3 Variable service charges

- 7.3.1 Only in exceptional circumstances will a reimbursement be offered where variable charges are applied. Generally, any allegations that the service charge is unreasonable, or services are poor will be investigated and recognised through the annual service charge account reconciliation.
- 7.3.2 Sanctuary will not offer compensation for missed appointments for communal repairs unless staff have specified that a customer is required to allow access or to discuss the works.
- 7.3.3 In addition to refunding charges or addressing allegations through the accounts process, Sanctuary may offer additional compensation in recognition of the impact of any services not being provided, or delays to communal repairs. This will be considered on a case by case basis, taking into account the individual circumstances of those involved.

8. Newly developed properties

- 8.1 If a homeowner has purchased a property new from Sanctuary, compensation will only be made where defects identified and confirmed by Sanctuary within the defects period have not been resolved within reasonable timescales as set out below:

Nature of defect	Amount/action by Sanctuary	Period after which compensation is payable
Emergency Repair/Defect	£25 - £50 depending on the impact	If not made safe within 24 hours
Routine Repair/Defect	£2.50 per day, per household up to a total of £300	If not resolved after 20 working days
Non-functioning defect (cosmetic/decorative)	£1 per day up to a total of £250	Within 20 working days of the end of the defects period.

- 8.2 As explained in section 2.2, we will not offer compensation or reimbursement where a homeowner has arranged and/or paid for works except in exceptional circumstances. Sanctuary will not accept responsibility for making good works carried out by unauthorised contractors or tradespersons.
- 8.3 We will not offer compensation or reimbursement for any costs incurred due to delay to construction works, or extension of handover dates.

9. Statutory compensation

9.1 Tenant Improvements

- 9.1.1 The Housing Act 1985 (Sections 99A and 99B) grants secure tenants the right to carry out improvements subject to Landlord consent. We grant this right to Assured tenants in their tenancy agreement. This is dealt with outside the

complaints process. Further details are available in our Repairs and Maintenance Policy and Procedure.

9.2 Right to repair (Scotland)

9.2.1 Compensation amounts will normally be awarded in line with the Scottish Secure Tenants (Right to Repair) Regulations 2002, i.e. £15 when the target timescale is not met and £3 compensation for each working day until the repair has been completed. The period in which £3 compensation can be awarded for every working day is calculated as:

- commencing on the day after the last day of what would have been the maximum period if the maximum period had applied to the other listed contractor and had started on the day after the day of receipt of instruction; and
- ending with the day on which the qualifying repair is completed, subject to a maximum amount of compensation of £100.

10. Payment processes and appeals

10.1 We will normally offset any compensation or goodwill gesture made against any arrears or debt owed to us by the customer. In exceptional circumstances payment may be made directly to the customer; this requires approval from either the Head of Case Resolution or Operations Manager examples of this include instances of:

- Items damaged/lost due to Sanctuary's action or inaction;
- Reimbursement for costs incurred as noted in 5.2 of this guidance;
- Costs incurred due to a service failure such as increased utility bills.

10.2 Offers of compensation will normally made when the repair or action has been agreed. Where action is planned for future completion, compensation may be offered up until this point.

10.3 If a customer is unhappy with the offer of compensation, they will be asked to explain why they are dissatisfied, provide any additional information and advise what they are looking for within the next 10 working days. Once this has been received, the officer handling the complaint will review their request and a final response will be given, usually within the next 10 working days.

10.4 Where a customer is unhappy with a compensation offer at the first stage they have the right to escalate their complaint to the second stage and the request will be considered by the investigating officer and a formal response given.

10.5 Where a customer is unhappy with a final offer made at the second stage of the complaints process, the complaint will be closed and the customer advised of their right to refer their complaint to either the Housing Ombudsman after eight weeks of the final response or a Designated Person if they wish to progress this before eight weeks have elapsed.

- 10.6 Offers of compensation will remain open to customers for three months after the final response has been given, after which the offer will be withdrawn. Any requests for payment after three months have elapsed will be considered on a case by case basis, considering any reasons for the acceptance not being provided previously.
- 10.7 Where there is an element of financial compensation the following levels of authorisation will be used:

Amount	Approved by:
Up to £100	Individual officers (no approval necessary)
Up to £500	FLR Team Manager/Senior Case Resolution Officer/Housing Officer
Up to £5,000	Case Resolution Manager/Group Customer Services Manager/Area Manager
Up to £15,000	Head of Case Resolution/Head of Customer Care/Operations Manager
Over £15,000	Group Director - Corporate Services

- 10.8 Approval of compensation and/or goodwill gestures will be requested from the authorising officer in writing and the approval will be added to the complaint record for audit purposes.
- 10.9 Compensation payments will be monitored monthly to ensure that any areas for service improvement are identified and to provide assurance that funds are being used appropriately.