



Compensation Policy

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COMPENSATION POLICY

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1.0 Introduction and Aims

- 1.1. We aim to provide customers with an excellent service, but we know that sometimes things can go wrong. This Policy outlines the circumstances where we will consider Reimbursement or Compensation for service failures.
- 1.2 The aims of this guidance are to:
 - ensure that compensation and reimbursement are applied according to Berwickshire Housing Association policies;
 - ensure that compensation payments are assessed, monitored and controlled; and
 - promote consistency, while recognising the need for cases to be assessed on individual circumstances.

2.0 Definitions

- 2.1 **Compensation:** An agreed amount of money, given or received as reparation, to make up for a loss of or failure of service (e.g. received *recompense* for the breach of contract).
- 2.2 **Reimbursement:** Repayment, pay back, refund for expense or loss incurred

3.0 Scope of policy

- 3.1 This policy is intended to provide guidance for compensation to current tenants in circumstances not covered by existing government guidance or insurance.
- 3.2 Please refer to the relevant guidance for the following:
 - a) Right to Repair
 - b) Decant Procedure
 - c) Home Loss / Disturbance Payments
 - d) Right to Compensation for Improvements
 - e) Personal Injury/ illness
 - f) Insurance claims

4.0 Circumstances where compensation will be considered

4.1 In addition to customers' legal right to compensation (see Section 3.0 above); we may consider compensation payments in the following circumstances.

4.1.1 *We fail to provide a service covered by a service charge to the agreed specification or standard.*

If we are satisfied that the service has not been provided to the agreed specification or standard, we will reinstate the service, apologise for the break in service, explain why it happened and how we will ensure it does not happen again.

If we again fail to provide the service it may be appropriate to compensate the customer(s) for the inconvenience caused. If appropriate we will pursue payment from a contractor who has not provided services to the agreed specification or standard.

4.1.2 *A customer is unable to use a room (or rooms) in their home because of our failure to carry out necessary work within agreed timescales.*

Where we agree a room is uninhabitable and have failed to put it right, we will offer a compensatory amount in line with the Decant Policy. Payment will not be made if the customer caused the damage to the property themselves, or if the delay is as a result of them not allowing access at agreed times.

If a room (or rooms) are likely to be uninhabitable for an extended period of time, it may be appropriate to decant customers to another property.

Where a customer refuses to be decanted, and has signed the relevant documentation, no **alternative compensatory payment will be offered.**

4.1.3 *We, or a contractor working on our behalf, have caused damage to a customer's property.*

It is our customers' responsibility to arrange their own home contents insurance and we advise them to do so. Therefore any damage caused to a customer's personal property or belongings will be addressed through their home contents insurance.

There will however be circumstances when this may not be appropriate i.e. where liability is not in dispute or where the value of the item to be replaced is less than the excess amount payable through a formal insurance claim. In those circumstances the Operations Director will decide the compensatory route to be taken and advise the tenant of the agreed compensatory amount to be offered.

Where a contractor causes damage to a customer's property, they will be wholly responsible for payment of compensation to repair or replace damaged property.

4.2 Where customers wish to claim compensation in these circumstances they should do so within 10 working days of the incident/s.

We will not consider a compensation claim made after 10 working days unless there is a very specific reason why a claim could not be made within that time.

5.0 Compensation as part of complaint resolution

5.1 We have a Compliments and Complaints Policy and Procedure to enable us to resolve complaints and learn from them. This section of the policy should be read in conjunction with the **Compliments and Complaints Policy**.

5.2 In line with Guidance from the Scottish Public Services Ombudsman (SPSO), where we are at fault, we aim to resolve complaints by:

- a) *Putting the complainant – as far as possible – back in the position they would have been if things had not gone wrong.*
- b) *Making sure – as far as possible – that the same thing does not happen to anyone else.*

We may achieve these aims by:

- *Issuing an apology and/or explanation*
- *Reimbursement of actual expenses incurred (not covering loss of earnings)*
- *Compensation by way of a payment in recognition of ‘time and trouble’ or inconvenience.*
- *Policy/procedural changes*
- *Staff Guidance/training on lessons learnt from previous claims*

5.3 As part of our approach to resolving complaints we may offer compensation if:

- Following investigation of the complaint, it is found that a service has *seriously* or *consistently* failed,
- A member of staff has not communicated appropriately or within an acceptable timescale with a customer who has raised an issue regarding a service provided by BHA or a nominated contractor acting on behalf of the Association
- Any of the circumstances at 4.0 apply,
- We have failed to keep an agreed appointment or attend within agreed timescales without attempting to advise the customer in advance,
- Other methods to resolve the complaint, such as an apology and/or explanation are not considered sufficient, or our previous responses have been inadequate,
- We have taken an unreasonable amount of time to resolve the issues complained about, a payment of £50.00 will be offered for up to and including 3 months, with an addition of £10.00 per month thereafter.
- The complainant has been required to spend an unreasonable amount of time and effort and/or expense in pursuing the complaint

5.4 Compensation will be offered in addition to other methods of resolving complaints and not as a substitute.

6.0 Payment of Compensation

6.1 We will write to the customer informing them why we are offering compensation, what it is intended to cover, how much is being offered and how that was calculated. Before payment is made, the customer must confirm acceptance of the offer of compensation and their preferred method of payment from the below list.

- Personal cheque
- BACS transfer

6.2 Customers will be required to sign an Acceptance of Full and Final Offer and Discharge of Claims form that removes any further right to claim compensation for the losses incurred by our failure that led to the complaint being received.

If a customer does not sign and return Acceptance of Full and Final Offer and Discharge of Claims form within 28 days of the signed recorded delivery date compensation will not be paid.

6.3 Once BHA is in receipt of a signed Discharge of Claims form, compensation will be paid within 20 working days.

6.4 Where a customer has been offered compensation but is in rent arrears, service charge arrears, and former tenant arrears or has a sundry debt then any compensation payment will be paid directly to the outstanding debt with priority being given to clearing the current rent account.

7.0 Guidelines for calculating compensation amounts

7.1 The following are guidelines for the amounts payable in circumstances where compensation or reimbursement is considered appropriate. Decisions on amount of compensation awarded will be taken by the Operations Director or Chief Executive..

Policy Ref	Circumstances	Suggested amount
<i>Loss of service or facilities and damage to property</i>		
4.1.1	Repeated or consistent failure to provide a service covered by a service charge	Reimbursement of service charge paid for the period in which service not delivered
4.1.2	All rooms in a customer's home are uninhabitable because of our failure to carry out necessary work within agreed timescales, where alternative accommodation is not offered.	£20.00 per day over target timescales
4.1.3	<i>Compensation in the following circumstances would only be payable where liability is not in dispute or where the cost of repairing or replacing damaged property is less than the excess amount payable through a formal insurance claim.</i>	
	We, or a contractor working on our behalf, have caused damage to a customer's property, or damage has been caused by our failure to carry out a repair within the target timescales of it being reported. In the case of the contractor then they would be liable for any associated costs	The value of repair/ replacement of damaged property plus £20.00 disturbance payment
	Where recurring damage has been caused by the negligence of a neighbour (e.g. fire or flood) and where we have failed to achieve a solution.	Goodwill gesture dependent on circumstances.
4.1.4	<i>Compensation in the following circumstances would only be payable where the loss is the sole responsibility of Berwickshire Housing Association, and where it has not been put right within 24 hours of being reported. These only apply if not covered under the Right to Repair criteria. Loss of water and/or sanitary provision will result in automatic decant.</i>	
	Total loss of facilities, where alternative accommodation is not offered.	£20.00 per day over target timescales
	No heating source, where alternative heating source is not offered.	£10.00 per day over target timescales
	No hot water	£10.00 per day over target timescales
	No sanitary provision	£10.00 per day over target timescales
	No cold water supply	£10.00 per day over target timescales

Policy Ref	Circumstances	Suggested amount
<i>Service Recovery as part of complaint resolution</i>		
5.3	We have failed to keep an agreed appointment or attend within the agreed timescales without attempting to advise the customer in advance.	A one-off payment of £10.00
	We have taken an unreasonable amount of time to resolve the issues complained about,	A payment of £50.00 will be offered for up to and including the first 3 months, with an addition of £10.00 per month thereafter.
	The complainant has been required to spend an unreasonable amount of time and effort and/or expense in pursuing the complaint	

8.0 Monitoring compensation and reimbursement payments

8.1 To allow compensation and reimbursement payments to be assessed, monitored and controlled, the following information must be entered on the **compensation/reimbursement log** for each payment:

- Date of claim and/or complaint (if appropriate);
- Date of incident and/or service failure leading to claim;
- Reason for compensation or reimbursement;
- Amount of compensation or reimbursement;
- Date of offer;
- Date of acceptance; and
- Date of payment.

8.2 The Tenant Communication Officer processing the claim/offer is responsible for updating the database at each stage with the appropriate details and ensuring each case is closed when acceptance is received and payment made.

8.3 The Operations Director will report on Compensation and Reimbursement payments to Board, MT and Managers on an annual basis, or more frequently if required.

9.0 Policy Review

9.1 This policy will be reviewed by the Operations Director every three years or sooner to ensure that its aims are being achieved in line with any relevant legislation and regulatory requirements.