



COMPENSATION POLICY

Responsible Director: Director of Homes & Wellbeing

Responsible Manager: Head of Homes & Wellbeing

Last updated: November 2018

Next update: November 2021

E2 Compensation**1. Policy**

- 1.1 It is the overall objective of NCHA to provide a quality service to all its customers and applicants. In order to achieve this objective, the Association has clear procedure guidelines and sets minimum standards of service that its customers and applicants can expect.
- 1.2 The Association recognises that in some instances it will fail to reach these standards and to underline its commitment will compensate customers and applicants where failures occur other than where the failure is outside of the control of the Association or its agents.
- 1.3 NCHA will advise all customers, carers and applicants of their right to compensation for our service failures.
- 1.4 NCHA will publish and regularly review the guidance for staff and customers on compensation levels and examples of where compensation may be due.
- 1.5 All customers are recommended to arrange their own household contents insurance, and where accidental damage is caused claims should be made on this insurance and no compensation will be payable from NCHA.
- 1.6 If the damage has been caused by NCHA or its contractors then compensation may be payable by NCHA.
- 1.7 Where a customer is in arrears and costly personal items are damaged by NCHA staff or a contractor, the compensation will be paid to the customer to enable him / her to replace the damaged item, like for like upon proof of purchase.
- 1.8 Compensation for personal injury is not covered by this policy. Such claims will be investigated by NCHA's insurers and details should be submitted to the appropriate Departmental Manager.
- 1.9 The costs of offering and paying compensation will be closely monitored by Managers, including the amount awarded and the reasons. Where a resident is in arrears the compensation will normally be credited to their rent account. Should a customer have an outstanding debt, the Income Team and the customer will be consulted as to how to proceed and will take individual circumstances into account.
- 1.10 Where compensation is for missed appointments Managers log any compensation on Capita and record who missed the appointment and why.

2. General

- 2.1 Where NCHA fails to achieve its agreed standards, we will pay compensation or take action to make amends. However, we will endeavour to correct matters without the need for our customers to make a claim.
- 2.2 We will consider paying compensation to anyone who suffers a quantifiable loss and/or experiences significant inconvenience as a result of a failure to deliver services. In some cases, practical action and an apology may be more appropriate or a combination of both may be required in order to resolve the matter.
- 2.3 We will not pay compensation where the loss of a service or facility has been caused by a customer's own negligence, such as failing to report a repair or where access has been refused for our contractors to complete a repair.
- 2.4 The general approach will be to publicise the right to compensation and always to advise people of their right to compensation.
- 2.5 Compensation payable due to home loss and / or disturbance is covered within E06 Disturbance Policy.

3. Areas of Compensation**3.1 Property Services failure to keep appointments**

- 3.1.1 Should a member of NCHA's staff, or its appointed contractors, fail to keep an appointment without giving the customer 12 hours notice, then the customer is automatically entitled to £10.00. If, however, a customer fails to keep the appointment without good reason, NCHA will charge them £10 (including VAT).
- 3.1.2 Where non-attendance is unavoidable due to emergency then NCHA should immediately inform the customer by telephone or in writing, detailing the reason and re-arranging the appointment.
- 3.1.3 The customer may also claim for the following:
- a) Loss of income
 - b) Annual Leave (based on income)
 - c) Other expenses resulting from the broken appointment
- 3.1.4 In order to claim compensation for loss of income or annual leave the customer would need to provide confirmation of the loss from his/her employer or other proof if self employed.

3.2 Failure to reply to, or acknowledge, correspondence

- 3.2.1 NCHA is committed to promoting effective, professional and consistent standards of communication across the Association. All staff are expected to practice and maintain high standards of communication in all aspects of the business of the Association and adhere to the defined acceptable standards of communication.

3.2.2 When customers contact NCHA, our response times are:

- a) In writing The letter will be forwarded to the appropriate person who will reply to the letter within ten working days. If this time scale is not feasible, an acknowledgement letter will be sent advising the customer of when a full reply can be expected.
- b) By email A reply will be provided within five working days. Again, an acknowledgement will be sent should more time be required to deliver a more comprehensive response. If members of staff are away from their office for more than one working day, an automated response will be provided giving details of their return and the most appropriate person to contact in their absence.
- c) By telephone Whenever possible, NCHA staff will endeavour to ensure that, when messages are left, all calls are returned within two working days. Where the voicemail service is available, staff will leave an appropriate message if they are away from their office.

3.2.3 Where it can be shown that NCHA have not adhered to these timescales, the customer will be offered £10.00 in compensation and their query given priority.

3.3 Delays in Completing Repairs

3.3.1 NCHA's Property Services Team prioritise repairs and allocate response times to complete the repair dependent on the emergency. However, the majority of responsive repairs are made by appointment as agreed with the customer. If NCHA, or its contractors, do not attend to the repair as agreed, a new appointment will be made and considered as a priority. The customer will also be given £10.00 in compensation for the inconvenience.

3.3.2 Most repairs can be completed within the timescale. However, it may be necessary to order parts or the repair may be more complicated than first envisaged. Should this be the case, the customer will be given an approximate completion date for the works and will be kept updated as the works progress to their completion.

3.3.3 Compensation will not be paid when:

- a) NCHA, or its contractor, is not responsible for the repair.
- b) The repair was necessary due to damage caused by the customer. In this instance, NCHA will consider whether to recharge the customer for these works in accordance with the rechargeable repair policy.
- c) NCHA had not been informed that the repair was necessary.
- d) The customer failed to provide access or did not keep to a pre-arranged appointment.
- e) The customer did not respond to a card left by the contractor at the property.

- f) The customer did not inform or report to NCHA details of any damage to their property or belongings within a reasonable timescale – within 1 week of the work.
- 3.4 Social and Affordable Housing Customers Property Improvements (this should be read in conjunction with the Customers Improvement Procedure).
- 3.5 Social and Affordable Housing customers of NCHA have the right to carry out improvements at their own costs to their home subject to a number of simple conditions.
- 3.6 The customer must obtain NCHA's written permission before carrying out any improvement works and NCHA reserves the right to withhold permission in certain circumstances. The customer will be advised of the reasons for refusal within 10 working days. If the customer is likely to seek compensation for the works when terminating the tenancy then three estimates must be submitted. Only when the Association has agreed the estimate can the customer instruct the contractor to start work.
- 3.7.1 The Association considers the following items to be improvements:
- Bathroom suite
 - Showers
 - Kitchen sink
 - Kitchen units including work surfaces
 - Central Heating / Gas fires
 - Loft Insulation/Cavity Wall Insulation, pipe and tank insulation
 - Double Glazing or other external window replacement or secondary glazing
 - Re-wiring
 - Intruder Alarms
 - Car parking / hard standing
 - Sheds, conservatories, external structures
- 3.8 This list is not exhaustive; other improvements would be considered on their merits. Improvements may not necessarily warrant compensation.
- 3.9 Note should be made of customers' requests to install their own intruder alarms. If the alarm specification is approved by NCHA's contractors, NCHA will maintain and service the alarm free of charge. Details of the current alarm specification are available from the Technical Inspector. If the alarm is not of a type approved by the Association's contractors, no compensation will be offered as the alarm would need to be removed when the tenancy ends.

3.10 Floor coverings

- 3.10.1 Written permission will be required to fit wooden, laminate flooring, lino and ceramic floor tiles.
- 3.10.2 Customers should be made aware that permission will only be granted for these types of floor covering in ground floor flats and on the ground floor of houses.

4.0 **Process**

- 4.1 Customers wishing to carry out improvements to their home must make written application to the Property Services Department giving the following details.
 - a) Type of improvement
 - b) Estimated cost of the improvement
 - c) Specification of the improvement
 - d) Details of the intended installer or contractor
 - e) Where necessary, plans of the improvement
- 4.2 On receipt of these details, the information will be forwarded to the appropriate Technical Inspector
- 4.3 In the case of window replacements or double glazed units the Technical Inspector may stipulate a particular manufacturer and in the case of UPVC windows may even refer the customer to the Association's own supplier, in agreement with the customer.
- 4.4 The Technical Inspector will provide written approval to the request provided the work is carried out in accordance with current recommended practice and the right is reserved to inspect the work on completion. The customer should also be advised that the Association must be put to no expense in the matter, and it is the customer's responsibility to see the work is completed and paid for. It must also be pointed out to the customer that it is their responsibility to obtain any necessary building regulation or planning approvals.
- 4.5 Customers should be advised in writing that, if the improvement is one which falls within the Association's prescribed list, then in certain circumstances compensation may be payable to the customer on the termination of the tenancy. To be eligible for this compensation the customer must have received;
 - a) written permission
 - b) must have submitted three estimates for the work to the Association

- 4.6 Where compensation is likely to be claimed the customer must be made aware that at the end of their tenancy they would not be compensated for the full cost of the improvement but that the original cost will be reduced over the prescribed number of years estimated to be the life of that particular improvement.
- 4.7 The Technical Inspector must forward a copy of the permission letter to the relevant Estate Officer for the customer file, and a copy of the letter, estimate and any other information must be retained on the W drive under Documents / Housing / Maintenance.
- 4.8 There is no increase in rent following improvements.
- 4.9 It is the responsibility of the Technical Inspector, in the case of central heating improvements, to ensure that the appliance is included in the Association's annual maintenance service agreement.
- 4.10 On termination of the tenancy it is the responsibility of the customer to formally request compensation using the compensation claim form within one month of the termination of the tenancy (Appendix E.2.1). This letter must be forwarded to the Technical Inspector who would inspect the property and the improvement and by reference to the original documentation calculate the compensation payable.
- 4.11 For some improvements, e.g. laminate floors, lino or ceramic floor tiles, the customer will be asked to reinstate the property to its original condition. Should the customer fail to do so, NCHA will undertake these works and recharge the customer.
- 4.12 The customer must be made aware that any compensation payable will be set against any sums that may be owed to the Association by the customer. Therefore, the Technical Inspector must check the rent account with the Income Team. If arrears are outstanding, or other monies are owed to the Association, the Estate Officer must put through a rent adjustment sheet and the Technical Inspector must write to the customer notifying them of this action.
- 4.13 Any cash sum due to the customer will be paid by BACS (bank transfer) raised by the Technical Inspector and will be forwarded to the customer only after the vacated property has been inspected and found to be in a lettable condition. No sums will be forwarded to a former customer if the property is found on vacation to be in need of repair works caused as a direct result of customer misuse or neglect.
- 4.14 Major Repairs Impact – Affordable and Social Housing Customers
- 4.14.1 Loss of a room
- 4.14.2 Where the customer does not have the use of a room, or rooms, in their home, they will be compensated for their loss. Customers will only be eligible for compensation if

they are without the use of the room for more than 5 working days. Payment will be made at £15.00 per week.

4.15 Damage to interior décor

4.15.1 Where contractors have no alternative but to spoil the decorations when undertaking a repair, every effort will be made to match existing décor on completion. Where this cannot be achieved, the customer will be issued with a decoration allowance based on the Property Services Team's standard rates. If, for whatever reason, neither of the two above options are acceptable to the customer, and with the prior approval of the Technical Inspector, NCHA may appoint decorators to complete the works and the materials will be agreed with the customer, on a like for like basis.

4.16 Damage by NCHA's appointed contractors

4.16.1 If damage has been caused by NCHA's appointed contractors, and the customer notified Property Services team within 10 days of the occurrence, the claim will be passed to them to resolve. However, if the Property Services Team believes the customer has a justified claim but that the contractor may delay payment, NCHA may settle the matter within 5 working days and recoup the sum from the contractor.

4.17 Upheld complaint

4.17.1 Following investigation of an upheld complaint, NCHA may decide that monetary compensation should be offered to the customer. Such compensation would normally only be offered where there is evidence of an actual loss. Discretionary cash sums recommended by the Officer upholding the complaint will be offered after approval by the Departmental Manager (within their delegated authority levels).

4.17.2 Where complaints have been considered by the Housing Ombudsman Service, NCHA will abide by compensation offers recommended in their report

4.18 Failure to meet terms of a service contract

4.18.1 Details are held in NCHA's Service Charges policy (see D06 Service Charges).

5. Procedure

5.1 In instances where there has been a service failure it will be the responsibility, in most cases, for the customer to make a compensation claim, in writing or email, to the relevant Departmental Manager. If the customer has support needs then a carer, if they are the customer's advocate, may claim on their behalf. In instances where the service failure is the responsibility of a Department other than Housing or Property Services the claim must be passed to the relevant Head of Department.

5.2 In instances where an official complaint is justified and proven, compensation is payable within the limits contained in the Association's Financial Regulations which state that the officers, detailed below, have authority to offer compensation:

- Departmental Managers to a maximum of £1,000
- Executive Team, sums over £1,000

- 5.3 Claims should be submitted on the attached standard claim form (Appendix E.2.1).
- 5.4 On receipt of a claim form the Departmental Manager or Departmental Head must undertake an investigation of all facts in the case.
- 5.5 The decision to pay compensation (or not) must be conveyed in writing to the customer and copies of the claim, investigation and letter retained on file. If the compensation deemed payable is outside of the investigating officer's delegated powers, the papers, with recommendation, must be forwarded to the Departmental Director who will obtain the necessary approvals.
- 5.6 If rent arrears exist, compensation payable should normally be used to reduce the arrears. It will therefore be necessary for the Income Officer to be advised of all compensation claims and awards so that rent adjustments can be made. However, if a customer is in arrears and costly personal items are damaged by NCHA staff or contractors, the compensation will be paid to the customer to enable him / her to replace the damaged item, like for like upon proof of purchase.

6. Home Contents Insurance

- 6.1 The contents of customers' homes are not insured by NCHA. If there is accidental damage to their possessions caused, for example, by a burst pipe, NCHA will not normally be held liable for their replacement. If NCHA is considered liable, for example if repairs have not been completed correctly, NCHA will consider a compensation claim. Otherwise the customer will be asked to make a claim on their own Home Contents Insurance.
- 6.2 Customers are strongly advised to take out home contents insurance and a leaflet has been placed in their sign up pack and is also available from NCHA. Customers are not obliged to take out insurance with the company supplying the leaflet and they may prefer to use a company they have been happy with before.

APPENDIX E.2.1.

CUSTOMER COMPENSATION CLAIM FORM

Name

Date

Address
.....

Tel No
Email

- Delay by NCHA to carry out emergency repair
- Damage caused to possessions/property
- Damage caused by NCHA's contractors
- Damage to decor

- Loss of amenities
- Loss of a room/rooms

- Failure by NCHA Officer to keep an appointment
- Failure by NCHA to reply to or acknowledge correspondence

- Property Improvements

- Failure to meet the terms of a service contract

DETAILS OF CLAIM

Please state reasons for claim and include all dates when you contacted or wrote to the Association. If you are claiming for damage to possessions or property please give estimated repair/replacement costs and copies of invoices or other bills to support your claim.

(Continue on separate sheet, or overleaf, if necessary)

I/We declare that statements made are true.

Signed **Date**