

# Compensation Policy



## Group-wide

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## 1. **Headline messages**

- **In line with our customer promise, where we get things wrong and fail to provide a quality service, we need to put things right and this may include paying compensation.**
- **We will consider an offer of compensation when an apology alone is not sufficient, and where we recognise the impact the service loss or failure has had on the customer.**
- **Compensation may be a mix of statutory based payments, our own discretionary based payments and reimbursement and where appropriate, rent /service charges refunds.**

## 2. **Aims of the policy**

We aim to provide a good quality service to our customers as set out in our Customer Promise. When we fail to meet set standards and our commitments to our customers, we want to put this right as quickly as possible. We aim to resolve any issues before the need for compensation arises.

We will:

- apply an empathetic, fair and consistent approach when offering compensation to our customers
- consider the individual's circumstances and details of the situation to ensure appropriate compensation is offered
- be clear about the circumstances in which we will and will not pay statutory and discretionary compensation.
- be clear and transparent about level of compensation and how that has been calculated
- record and pay compensation promptly
- monitor compensation payments and spend

## 3. **Scope**

This document sets out our approach to offering and managing compensation claims and awards and should be read in conjunction with our Complaints Policy.

The policy applies to all residents of L&Q and to anyone who receives a service from L&Q. The policy will also be applicable to any person who has been affected by an L&Q service failure and any associated negligence.

This policy does not cover compensation in relation to rehousing. Please refer to the Allocation & Lettings policy for guidance.

This policy does not cover compensation in relation to damage to a customer's home and/or belongings or for personal injury. Please refer to our website [Claiming compensation | L&Q Group \(lqgroup.org.uk\)](https://www.lqgroup.org.uk) for details of how these cases are handled.

Compensation may not just be a financial payment and we can offer other gestures such as flowers, a card, carry out a personal visit or consider carrying out additional repairs for which we would not be usually responsible for.

We expect our customers to take out adequate home contents insurance for their furniture, decoration and personal possessions to insure them against accidental damage, loss, fire or water damage, burglary etc. This policy is not intended to replace or compensate for a customer's lack of home contents insurance.

We would not usually pay compensation in the following circumstances:

- Where there are exceptional reasons for service delay or failure, which are outside our control such as inclement weather, supply chain issues, or Covid 19 restrictions
- Where customers have not allowed reasonable access for us to complete repairs
- Where customers have refused the necessary repairs needed to resolve the issue
- Where we were not informed and could not reasonably have known of the failure
- Where poor quality home improvements or unauthorised repairs/services to the property have been carried out by the customer without us being informed of the issue or having the opportunity to complete the work ourselves or employed a contractor to do so
- We will always aim to make good when undertaking day-to-day repairs to a customers' property, but we will not redecorate unless we are obligated to or in exceptional circumstances
- Where the service failure or fault is caused by the customer's misuse, negligence, or damage
- Loss of earnings (although discretionary compensation may be made in consideration for customers' time and effort in getting issues resolved)
- Where the service failure is not the responsibility of L&Q but another party e.g. utility company, building freeholder, managing agent
- Where the customer should claim against their home contents and/or building insurance
- Where the sale or renting of our homes is delayed by reasons out of our control
- Personal injury claims - this will be considered by our Insurance Team
- Where we have been ordered by a court or competent tribunal to pay compensation in respect of the same issue or there is an ongoing legal action against L&Q e.g. disrepair
- Short-term nuisance caused by building works
- Neighbour nuisance

The above circumstances are not an exhaustive list and discretion can be exercised in exceptional circumstances and would need the approval of a senior manager.

## **4. Policy approach**

We will consider an offer of compensation when an apology alone is not sufficient as we recognise the impact the service loss or failure has had on the customer.

Compensation will be awarded in a manner that is empathetic, fair and proportionate, as well as representing value for money in the way we manage our resources.

Where a customer has made a valid complaint, we will apply compensation as detailed in this policy and where appropriate, compensate other affected customers impacted by the service failure.

Where statutory compensation is due, we will pay this in accordance with Right to Repair legislation.

Where appropriate, compensation will be offered and paid as part of our Stage 1 or Stage 2 complaint decision. The final award of compensation will be reviewed once all work/issues have been resolved to ensure that it's proportionate.

#### 4.1 Circumstances where compensation or reimbursement may be offered

We will consider paying compensation in the following circumstances:

- Where legislation, such as the Right to Repair, requires it
- Where we fail to follow our policies, procedures or guidelines and this has a negative impact on the customer
- Where we fail to respond to or process a complaint within agreed response times and do not comply with the Housing Ombudsman's Complaint Handling Code
- Where we fail to attend a booked appointment without good reason – not because the customer changed the appointment date/time
- Where we fail to complete repairs for which we are responsible to agreed response times and not advised customers of any exceptions e.g. structural or supply chain issues, identification of asbestos (not applicable to leaseholders and shared owners except those in the Defects Liability Period)
- Where we fail to deal satisfactorily with repairs that are our responsibility, and the customer is continuing to live in poor conditions longer than is reasonable
- Where our failure has caused a loss of facilities and/or amenities beyond the agreed response times e.g. heating and hot water or the customer is unable to use part of their home
- Where we fail to provide a service that customers have been charged for, for example, cleaning and caretaking services we may consider discretionary compensation
- Where the customer had no choice but to pay for something because of our inaction, delay or negligence, for example, the cost of extra food if they had no cooking facilities

#### **Damage to customer's home/belongings during planned works**

We will aim to identify any possible damage to customers' fittings or fixtures before major planned works commence and will discuss with the customer the options available to minimise damage.

When carrying out any planned works such as installing new kitchens and bathrooms, for example, we will assess each case individually and according to its circumstances before offering compensation. In most cases, the compensation will be agreed and paid by the contractor.

In the case of damage to customer decorations, we will carry out reasonable redecoration or provide decoration vouchers for the customer to carry out the restitution work themselves, if they prefer.

Where damage or alleged injury occurs because of our or our contractor's negligence, we will refer the issue to the Insurance Team as per Section 3 (page 2) of this policy. This includes damage to customers' personal possessions.

We will not consider compensation if the damage occurred:

- to a fitting or fixture that the customer had installed without obtaining the required permission and or that has been poorly constructed or installed by unqualified person.
- in an area that we have not worked in. For example, if the same carpet is laid in more than one room, we will only consider replacing it in the room where the damage occurred.

## 4.2 Types of compensation

### 4.2.1. Statutory compensation – Right to Repair

The Right to Repair Scheme helps secure tenants to get small specific ‘qualifying’ repairs done quickly. These are matters that relate to health, safety, and security. For example, total loss of water, total loss of electricity, partial or total loss of gas. The matter may relate to an individual property or a communal service or area.

Under Right to Repair, repairs must cost less than £250 and if not completed within the statutory target times, we pay statutory compensation. This is £10 plus an additional £2 per household per day (for every extra day the repair isn’t fixed) capped at £50. For the purposes of this policy, we will not be capping the amount but paying for the total duration of the loss.

Qualifying repairs and repair times and compensation amounts are set out at Appendix 2.

An additional discretionary payment may be made acknowledging the impact, inconvenience, distress, and time/effort required of the customer.

At our discretion, we may use the Right to Repair scheme for other types of tenure.

### 4.2.2. Fixed Awards

We will provide fixed service awards in the following circumstances:

- Missed appointments:
  - £20 - Failure to keep an appointment without at least 24 hours’ notice - this could be by L&Q staff or contractors working on our behalf

For smaller amounts, these payments would usually be in the form of a voucher.

### 4.2.3. Compensation for loss of facilities and amenities

#### Loss of room and/or outdoor space

Where a customer is not able to use a room(s) and/or outdoor space in their home because of a repair issue that is our responsibility, and which causes prolonged and unreasonable disruption we will consider a partial refund of rent. For customers who do not pay rent (e.g. leaseholders), we will consider another form of discretionary payment. The customer’s specific situation or vulnerabilities must be considered when making the offer.

Loss of outdoor space will be considered all year round. It will not be considered for planned works or repairs unless there have been unreasonable delays.

#### Loss of individual service/facilities

Where the customer has suffered a loss of service/facility i.e. heating and hot water and they have not been resolved within given timeframes and service level agreements, we will consider discretionary compensation.

#### Loss of communal service/facilities

Customers can be compensated for loss of communal services and facilities that are not resolved within agreed timeframes.

We would not usually refund the service charge as we would work to put the issue right. This could mean additional works or actions at no additional cost to the customer e.g. replacement service or enhanced services. If there has been a loss or quality of a service chargeable service, we would not usually pay this directly to the customer but apply a credit to the following year's service charge estimate.

We would consider offering discretionary compensation to acknowledge any distress and inconvenience experienced as well as any time and effort made by the customer to put the issue right.

Where applicable and reasonable to do so, we will also refund management fees and other administration fees.

#### 4.2.4. Discretionary compensation

We will award discretionary compensation when our mistake or failure causes a customer distress and inconvenience and/or the need to spend unnecessary time and effort in getting us to put things right.

We will also consider the impact of any failures in our complaint handling and where we have not complied with the Housing Ombudsman's Complaint Handling Code.

Discretionary payments must consider the individual household circumstances, such as, larger sized households and/or specific vulnerabilities and where this has caused greater impact.

With assessing the level of discretionary compensation, we will take the following considerations into account:

- the duration of any avoidable distress or inconvenience
- the seriousness of any other unfair impact
- actions by the customer or us which either mitigated or contributed to actual financial loss, inconvenience, or unfair impact
- how we have communicated with the customer

#### 4.2.5. Reimbursement

We will not reimburse customers for any lost earnings.

We will pay back for any relevant out-of-pocket expenses that have been incurred by our customers due to service failures caused by us.

It is expected that evidence should be provided by our customers to demonstrate that this expense has incurred because of our failure to resolve the issue. This would usually be in the form of receipts, invoices, bank statements and utility bills.

### 4.3 Compensation for leaseholders, homeowners and shared owners

- We may refund an insurance excess as discretionary compensation if we have been negligent in the handling of a repair or defect that we are responsible for.
- We may consider compensation for leaseholders/shared owners/homeowners where our failure has caused them to be unable to use a part of their home or experienced a loss of amenity i.e. loss of heating and hot water that we are responsible for.
- Where a leaseholder lets the property out, we will not compensate for loss of rental income or rent increases due to a repair issue or loss of service.
- Any compensation paid will be discussed with and credited to the leaseholder directly and not any tenant of the leaseholder (possible exception is Disturbance Payment – please refer to the Allocation & Lettings Policy).
- We will pay for missed appointments on communal repairs if we have specifically requested that the leaseholder/shared owner/homeowner be present.
- If the customer has purchased a new property from us, there is a Defects Liability Period during which qualifying defects can be reported to us and we will ensure they will be carried out. If we fail to complete the repairs within a reasonable time, we will consider paying discretionary compensation. Compensation will only be offered where we have caused unreasonable delays and/or distress, not for the defect itself.

### 4.4 Payment methods

We will partly or fully offset a compensation payment against any debt owed to us by a customer, including rent and service charge arrears but this is not applicable for any reimbursements of out-of-pocket expenses.

The following payment methods are available:

- Cheque
- Love2Shop voucher
- Rent adjustment/refund
- Service charge adjustment/refund
- Decorating voucher

We will ensure that payments and/or adjustments will be issued promptly.

### 4.5 Handling Compensation

We handle compensation through our complaints process. Please refer to our Complaint policy for further detail.

All compensation claims raised by a customer must be dealt with as a complaint. If a complaint has not been recorded yet, then it must be logged and should be dealt with under our complaint response timeframes.

Customers requesting compensation, if they not done so already, will be asked to provide all relevant evidence to support their claim including receipts, photographs and any correspondence with L&Q in trying to resolve the issue(s). In some situations, the customer may be asked to complete a short form to help with investigating the request.

When investigating the customer's request for compensation, we will refer to relevant policies such as our Repairs Policy, Defects Policy as well as any relevant tenancy agreements or leases.

Complaints can be made in several ways:

By phone to our customer service centre:

- 0300 777 7777 for customers in the North West
- 0300 456 9998 for all other customers

By email:

- [customerrelationsnw@lqgroup.org.uk](mailto:customerrelationsnw@lqgroup.org.uk) for customers in the North West
- [complaints@lqgroup.org.uk](mailto:complaints@lqgroup.org.uk) for all other customers

In writing:

- Resolution Team, Sale Point, 126-150 Washway Road, Sale, M33 6AG for customer in the North West
- Customer Relations, Cray House, 3 Maidstone Road, Kent DA14 5HU for all other customers

Online and Social Media:

- Completing the on-line complaints form at [www.lqgroup.org.uk](http://www.lqgroup.org.uk). Customers in the North West should use My Account.
- Via social media – L&Q Facebook or Twitter

Directly to any of our colleagues in person

Customers should be advised to seek independent advice, such as the Citizen's Advice Bureau if they need help. In all instances we can accept a complaint via a representative or advocate (we must have written permission from the customer. This can be by confirming the arrangement by email)

## 4.6 Appeal

We have a 2 stage complaints process. If customers are not happy with the compensation offered at Stage 1, they can request an escalation to Stage 2 for a review. The full details of this process are contained within our Complaints Policy.



# Appendices

## 1. Assurance

We will ensure as part of the monthly monitoring of Housing Ombudsman's determinations how well the business is applying the compensation policy.

Every 6 months we will carry out a quality assurance check on a robust sample of complaints to assess the extent to which the business is complying with the compensation policy.

We will regularly seek feedback from complaint handlers on the effectiveness and ease of applying the policy and using the standard operating procedure.

## 2. Right to Repair

- The right to repair obligations make it incumbent on us to offer compensation to secure and assured tenants when we fail to complete qualifying repairs within the timescale set by government.
- Qualifying repairs are urgent repairs which threaten the health, safety or security of the customer.
- The obligations apply to the following repair categories:

<b>Defect</b>	<b>Prescribed period in working days</b>
Total loss of electric power	1
Unsafe power or lighting socket, or electrical fitting	1
Total loss of water supply	1
Total or partial loss of gas supply	1
Blocked flue to open fire or boiler	1
Total or partial loss of space or water heating between 31 October and 1 May	1
Blocked or leaking foul drain, soil stack, or (where there is no other working toilet in the dwelling-house) toilet pan	1
Toilet not flushing (where there is no other working toilet in the dwelling-house)	1
Leaking from water or heating pipe, tank or cistern	1
Insecure external window, door or lock	1
Partial loss of water supply	3
Partial loss of electric power	3
Total or partial loss of space or water heating between 30 April and 1 November	3
Blocked sink, bath or basin	3
Tap which cannot be turned	3
Loose or detached bannister or hand rail	3
Rotten timber flooring or stair tread	3
Leaking roof	7
Door-entry phone not working	7
Mechanical extractor fan in internal kitchen or bathroom not working	7

# Policy controls sheet

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**Approved by:** Ashley Bryant – Customer Service & Revenue Director, Customer Group

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**Author:** Customer Relations

**Policy owned by:** Ashley Bryant – Customer Service & Revenue Director

**Associated documents:** Complaints Policy, Complaints SOP, Compensation SOP, Allocations & Lettings Policy, Repairs Policy

<b>Main change</b> 1/8/23 - Fixed Award for lack of response removed. 24/8/23 - Updates from insurance team. - Paying compensation	<b>Key points</b> Now incorporated in compensation for Complaint Handling  Link to website for insurance process Confirm that we will pay compensation as part of the decision process
<b>Reviewed by:</b>	Jayne Harrison – Customer Relations Business Partner
<b>Approved by:</b>	Ashley Bryant – Customer Service & Revenue Director