



Compensation Policy:

Interim policy amendments in response to coronavirus/covid 19. Effective 1 April 2020

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In response to the Coronavirus / Covid 19 crisis and the resulting limitations on our ability to deliver services as usual, the following policy amendments have been approved and will be in place until further notice. These changes take effect from 1 April 2020.

Key message:

- From 1 April 2020 we will only make statutory compensation payments to residents - this is compensation we are legally obliged to pay when we don't meet the required service standards.
- Apart from a small number of exceptions, no discretionary or proactive compensation payments will be made until further notice.

1. Introduction

Under current policy, compensation may be a mix of

- statutory based payments,
- our own discretionary based payments, goodwill gestures (e.g. vouchers), and
- part refunding of service charges.

Compensation may be reactive – where a customer has made a valid complaint, or proactive, where we compensate all residents impacted by the service or facility failure (e.g. prolonged broken lifts).

However, due to Coronavirus / Covid-19, we are facing unforeseen challenges, both in terms of delivering the level of service we normally strive to achieve as well as the added financial pressures on the organisation at this time. Therefore, the decision has been made to cease all discretionary compensation payments until further notice.

The policies and procedures impacted by these changes are Complaints, Compensation, and Rehousing.

2. Scope

These interim changes to compensation payments, apply to all areas of the business apart from:

- £250 per week for residents needing to be rehoused who can source their own accommodation,
- reimbursement for costs caused by our failure e.g. if we set up a bank direct debit wrong and are asked to cover bank charges or other out of pocket expenses (which may also include some discretionary compensation payment),
- where there is a clear reputational risk to the business as a result of our service failure.

Statutory based compensation payments will continue to be processed and paid as appropriate. Right to Repair statutory compensation will only be paid to residents with secure (and protected) tenancies, in line with the statutory requirement.

3. Interim Policy Changes

The following sets out the policy changes taking effect from 1 April 2020

- The pause on discretionary including proactive payments will apply to all complaints received on or after 1 April.
- Consideration of discretionary compensation for complaints made before 1 April can be processed.

- Complaints received after 1 April but relating to a service failure before that date will be considered on a case by case basis and would be eligible for discretionary compensation.
- No discretionary compensation will be paid for failures directly resulting from coronavirus.

3.1 Exceptions to payment of discretionary compensation

Rehousing: For the immediate period of “lockdown” the discretionary incentive of £250 per week to stay with family/friends is suspended (as people should not move in with others). Once lockdown is lifted, this payment will be offered. Residents who can source their own accommodation during the lockdown period that does not involve moving in with others will be able to receive payment.

Compensation for our errors - costs incurred as a result of our failure, e.g. bank charges incurred by the resident due to our error in setting up a direct debit can be considered for discretionary compensation in addition to reimbursement payments for out of pocket expenses. Other examples may include; increased bill for running heaters or dehumidifiers; increased bills for water leaks; leaseholders paying for work which we then find out we are responsible for; and issues related to sales that are not related to coronavirus

We may find there are other examples where a degree of flexibility should be employed. These can be considered on a case by case basis. In the first instance you should speak with your line manager.

3.2 Discretionary compensation payments that are paused

- **Fixed awards for service failure** - £10 for failure to respond to a query within 10 working days; failure to respond to a formal complaint within the timescales in our Complaints Policy; £20 for a missed appointment.
- **Goodwill gestures and compensation payments** – made to acknowledge impact, inconvenience, distress, and time/effort.
- **Rent refund – compensation for loss of facility** - the compensation will be based on the customer’s weekly rent and the number of days/weeks without the facility.
- **Compensation for loss of communal amenities/services** - where repair takes longer than right to repair service timescales or our service level agreements. Impact, inconvenience and distress.

Note that payment to residents for out of pocket expenses, is a reimbursement, not a compensation payment, so will continue.

3.3 Statutory compensation payments that will continue

- **Right to Repair** - cover small (costing less than £250) health and safety related repairs but restricted to residents with secure tenancies (in line with the statutory requirements)
- **Disturbance Payments** - payments made to a tenant or leaseholder if they are required to temporarily or permanently leave their home for major improvement works.

- **Home Loss Payments** - payments to tenants, leaseholders and shared owners whom we require to move permanently due to demolition, sale of land or major works.

3.4 Communicating the changes

- Q&A targeted at residents will be published on the L&Q website.
- Q&A will be added to IHelp.
- Information will be cascaded to all staff through CMLG to ensure good reach to those most active in managing complaints and published on the intranet.