

Compensation Policy



Directorate: Customers
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1. Introduction

- 1.1. Salix Homes is committed to providing a high quality service at all times to all of its customers. It recognises, though, that there are times when services do not meet those high standards and customers are inconvenienced as a result.
- 1.2. Salix Homes will endeavour to apply a suitable remedy at an early stage when service failures occur. The remedy will demonstrate Salix Homes' commitment to getting things right first time and learning from complaints.
- 1.3. This policy should be read in conjunction with Salix Homes' Customer Feedback and Complaints Policy, which details the procedure to follow should customers feel they have experienced a service failure.
- 1.4. Insurance claims are out of scope for this policy and should be referred to the Salix Homes Risk and Insurance Manager.
- 1.5. Customers who are terminating a tenancy and are seeking compensation for home improvements which they have made should see Appendix 1 to this document and will be referred to the housing team.

2. Policy Statement

- 2.1. This policy sets out Salix Homes' commitment to providing redress when things go wrong and sets out the circumstances in which statutory and discretionary compensation and gestures of goodwill will be paid.
- 2.2. The aim of this policy is to ensure:
 - a consistent, fair and proportionate response to service failures whilst recognising that each service failure needs to be considered on the merits and particular circumstances of the case;
 - that compensation is properly assessed, monitored and controlled.
- 2.3. It also provides details of:
 - when we will pay compensation;
 - how much we will pay;
 - how to claim compensation;
 - what customers should do if they are not satisfied.

3. Definitions

3.1. **Compensation:**

A payment of recompense for loss of service or out of pocket expense at a quantifiable rate or amount incurred by a complainant as a direct result of Salix Homes' actions or failure to act.

3.2. **Gesture of goodwill:**

A payment made to maintain good relations between Salix Homes and a customer where inconvenience has been caused by Salix Homes' actions or failure to act.

4. Policy Detail

4.1. This policy sets out the circumstances when discretionary compensation and gestures of goodwill will be considered by Salix Homes. It also highlights statutory obligations Salix Homes must comply with in paying compensation in relation to the following:

- Right to Repair (introduced as part of the Citizens Charter Scheme 1st April 1994).
- Right to Compensation for Improvements (introduced as part of the Citizens Charter Scheme 1st April 1994).
- Home Loss and Disturbance Payments (Under the terms of the Land Compensation Act 1973 as amended).

4.2. The type and extent of remedy will depend upon the individual circumstances of each case and will be linked to the extent of the loss, damage or inconvenience incurred.

4.3. For the purposes of this policy, Salix Homes makes a distinction between 'compensation' and 'gestures of goodwill' as defined in point 3 above.

4.4. Salix Homes may choose to pay both compensation and a gesture of goodwill together, however each case will be investigated and assessed on its merits. The level of compensation and gesture of goodwill payment payable will be commensurate with the level of inconvenience, disturbance or annoyance suffered by the customer and the level to which Salix Homes may have been directly responsible. Examples of where payments may be made are shown at Table 1.

4.5. **Remedies**

4.5.1. Salix Homes will always consider what actions could provide all or part of a suitable remedy. In making the decision compensation and gestures of goodwill payments should always be considered as a last resort when all other options have been exhausted or are clearly inappropriate in the circumstance.

4.5.2. Where a service failure has taken place, Salix Homes will always ask the customer what can be done to remedy the situation.

4.5.3. Where the service failure is upheld and the responding manager considers it appropriate, Salix Homes will endeavour to act upon the customer's proposed solution.

4.5.4. Remedies can be categorised as:

- A – make apologies;
- B - provide service;
- C - review working procedure;
- D - review policy;
- E - employee training or guidance;
- F - employee disciplinary action;
- G - financial redress: compensation or refund.

4.5.5. Any offer of a remedy should clearly set out what will happen and by when, in agreement with the customer where appropriate. Any remedy proposed must be followed through to completion.

4.6. Potential claims seeking redress

4.6.1. Occasionally some customers who are expressing dissatisfaction with Salix Homes may enquire as to how they could instigate a formal claim to seek redress.

4.6.2. In the first instance Salix Homes employees should always try to steer that customer to the formal complaints process first, as exhausting this may avoid the customer incurring unnecessary solicitor costs if an amicable resolution can be found ahead of any formal action. Not only this, but the complaints process is there to allow any issues to be aired, and for consideration to be given to a potential solution, and where applicable, for Salix Homes to understand how we can improve our services accordingly, so this helps prevent any re-occurrence of the issues.

4.6.3. However, if a customer is determined to file a formal claim, then we would always advise them to seek legal advice and representation, which may mean them engaging a solicitor to represent them in support of this. The formal claim must be put in writing and can be sent to the Risk and Insurance Manager at Diamond House, or directly to our insurer should the solicitor prefer this, where our insurers details can be provided on request.

4.7. Limitations of the policy

4.7.1. Salix Homes will not consider claims for compensation where:

- Service failure is due to interruptions in gas, electricity or water supplies which are the responsibility of the utility companies.

- The loss or damage is the fault of the customer, a member of their family or a visitor to their home, including the failure to report repairs or allow access to the home.
- The loss or damage is due to acts of negligence by a third party.
- The loss or damage is to personal possessions (including carpets) and is caused by another resident or neighbouring occupier, for example a leaking washing machine from a flat above. In this instance customers would be advised to claim on their own personal contents insurance.
- Service failure is the result of extreme or unforeseen conditions (such as weather conditions or COVID-19) where Salix Homes has taken all reasonable steps to restore services or facilities under the prevailing conditions.
- Service failures as a result of missed appointments where it has not been possible to gain access.
- Any extraordinary event or circumstance outside of the control of Salix Homes.
- The service failure, loss or damage occurred over 6 months prior to the claim for compensation unless this contravenes our statutory limitation period.

4.8. Conditions of award

- 4.8.1. Each claim for compensation will be considered on an individual basis, taking into account the circumstances of the customer involved.
- 4.8.2. Where an offer of compensation is made, it will be on the basis that Salix Homes does not accept any legal responsibility.
- 4.8.3. Where compensation has been agreed and accepted, the customer is confirming that the complaint is closed and is in full and final settlement of the claim.

4.9. Making payments to customers

- 4.9.1. Salix Homes will first contact the income management team to check for any rent or service charge arrears and/or outstanding legal costs or other monies owed to Salix Homes and make the necessary agreed award, less any appropriate deductions where monies are owed. If the customer has an up to date account, or any arrears/legal costs are below the level of the award, payment will be made to the customer by Bankline Payments. Salix Homes will also send out a letter to the customer confirming that they have authorised payment of the amount and of any adjustments made to the award.
- 4.9.2. The complaints support team will administer gestures of goodwill payments accepted by the customer as part of a complaint outcome. This includes orders of compensation awarded by the Housing Ombudsman.

4.10. What happens if the customer is unhappy with the payment?

- 4.10.1. If a customer is unhappy about the level of the award and does not have an existing formal complaint, then the customer can request for the level of award to be reconsidered using the normal complaints procedure.
- 4.10.2. For cases where the customer is unhappy about the level of award and they have an existing formal complaint, they can request for the level of their award to be reviewed under Salix Homes' complaints procedure and the complaint will be escalated to the next stage.

4.11. Statutory payments

- 4.11.1. In addition to discretionary payments Salix Home will also make statutory payments in certain circumstances, described in Table 2 below.

4.12. Variations to this policy

- 4.12.1. Salix Homes delivers a wide range of services. Where we deliver certain types of improvement work to properties, it has been necessary to develop specific policies designed to redress damage to a customer's decorations. Details of these payments are reproduced at Table 1 below.

4.13. Table 1: Discretionary payments

Discretionary Payments	
Description	Detail
1) If we fail to provide a service where a service charge has been paid	If we fail to provide a service (or a reasonable alternative) for more than 14 days, the level of compensation will be the same amount paid for the service for the length of time that we failed to provide it, plus a single payment of £20.
2) Loss of communal facilities	When lifts, door entry phones or communal lighting systems are out of order for more than 28 days, a single payment credit of £20 goodwill payment against service charge will be paid to each household directly affected (this excludes the planned replacement or upgrade of a lift as part of the investment programme).

<p>3) If you cannot use a room in your home</p>	<p>We will pay compensation if we have not carried out work that is necessary and rooms are consequently uninhabitable. This does not apply to programmes of work such as 'Decent Homes' and only applies if the customer has not caused the damage to the room and has allowed us to carry out the necessary work. The payment will be calculated by dividing the number of habitable rooms in the home by the amount of full rent paid to arrive at an amount to be paid for each day the room remains uninhabitable.</p>
<p>4) If we fail to restore heating and hot water within prescribed timescales</p>	<p>In cases where a customer has reported a loss of heating or hot water and Salix Homes, or its contractor, has not responded within the advertised timescale, compensation will be awarded at £15 per day until the matter is resolved or alternative accommodation provided. This is subject to there being no access difficulties and there being no issues with services provided by the Utilities.</p>
<p>5) Missed repairs appointments</p>	<p>If Salix Homes or its contractors fail to keep an agreed appointment and does not notify the customer and make alternative arrangements, a fixed compensation payment of £25 may be awarded. Customers must register their claim within two working days by reporting the service failure to the Planning Manager via email: repairs@salixhomes.co.uk. Customers who have failed to honour a repairs appointment in the previous 12 months will not be eligible for this payment. NB Programmes of works such as 'Decent Homes' require Salix Homes or its contractor operatives to visit properties frequently over a number of weeks in order to carry out the necessary improvement work. Additional payments will not be considered during such programmes of work.</p>
<p>6) Temporary moves/relocation</p>	<p>Where extensive repairs requires the tenant to be temporarily rehoused, the amounts payable will be subject to the conditions of the move. Such arrangements will be managed and arranged by the Repairs Liaison Officer. Where a customer has been relocated temporarily to a hotel or equivalent, expenses will be paid to cover meals up to £20 per day per adult and £10 per day per child, up to a maximum of £60 per day.</p>
<p>7) Additional electricity costs</p>	<p>When we provide dehumidifiers or temporary fan heaters to rectify the impact of a repair not caused by damage or neglect by the tenant, we will pay up to £7 per day for the cost of the additional electricity, on the understanding that the tenant uses them as instructed and can demonstrate the increase in electricity costs.</p>
<p>8) Decoration Allowance (Investment Works)</p>	<p>Every year Salix Homes has a programme of works known as the Capital Programme. As part of the planned works, Salix Homes will endeavour to package all works together, for</p>

	<p>example, kitchens / bathrooms / central heating & electrical works to reduce prolonged inconvenience to the customer.</p> <p>Decoration allowance in the form of vouchers from our approved supplier will be made to customers who have had an electrical rewire. The amount of decoration vouchers will be £300. Where a full electrical rewire is undertaken as part of day to day responsive repairs, the same allowance will apply as above.</p> <p>Alternatively, the customer can choose to decide not to accept the vouchers and instead have the contractor decorate one room of their choosing.</p> <p>NB. No decoration allowance is made for kitchen and bathroom replacement as redecoration and the renewal of floor coverings is included in the works specification.</p>
<p>9) Decoration Allowance (Responsive Repairs)</p>	<p>In the event that that a customer’s decoration is damaged following a responsive repair to their home, Salix Homes will make this good, in the area of the repair only, matching the existing decoration to the best of our ability.</p> <p>Alternatively, the customer may be offered decoration vouchers to contribute towards their costs in carrying out any subsequent redecoration following the repair. The amount will be calculated based upon an allowance of £30 per wall or ceiling affected by the work, up to a maximum of £500 per property.</p>
<p>10) Disrepair</p>	<p>Please refer to the Disrepair Policy and Procedure for guidance in relation to early intervention and compensation for disrepair claims.</p>
<p>11) Personal Injury</p>	<p>Any incidents involving personal injury are captured on the CF11a incident form and reported to the Health and Safety team and the Risk and Insurance Manager for investigation, and where necessary the insurer will be advised. Any payment in relation to personal injury should be considered by the Risk and Insurance Manager only.</p>

4.14. Gestures of Goodwill

4.14.1. In addition to the points in Table 1, examples of inconvenience caused by our actions or lack of action as set out by the Housing Ombudsman may include;

- poor handling of issues
- delays in providing a service e.g. in undertaking a repair
- temporary loss of amenity
- lack of communication when attempting to resolve an issue

- failure to meet target response times
- failure to follow policy and procedure
- unreasonable time taken to resolve a situation

4.14.2. Effective complaint handling is an opportunity to rebuild trust and improve relationships with customers. We will be open and transparent in acknowledging where things have gone wrong, setting out the actions we have already taken or intend to take to put things right. Remedies include but are not limited to:

- apologising
- acknowledging where things have gone wrong
- providing an explanation, assistance or reasons
- taking action if there has been a delay
- reconsidering or changing a decision
- amending a record or adding a correction or addendum
- undertaking works or replacing damaged goods
- changing policies, procedures or practices
- providing a financial remedy

4.14.3. When considering an appropriate remedy, as far as possible, we will aim to return the customer to the position they would be in had the service failure not occurred and additionally, account for the fact it did occur. For example, where a complaint is about a reoccurring leak, we could consider the following:

- carrying out the required repair work
- any other potential remedial works/damages
- length of time the situation has been ongoing
- number of service failures
- severity of any service failure or omission
- impact on the resident
- particular circumstances or vulnerabilities
- any wider learning

4.14.4. At the sole discretion of Salix Homes' Managers and following a full investigation of the circumstances, a gesture of goodwill payment of up to £500 may be made in recognition of the time, trouble or inconvenience caused by our actions, or lack of action. This payment is not intended to recover lost earnings. This also applies to investigating managers at Stage 1 of Salix Homes' complaints process.

4.14.5. Examples of payments that may be awarded are as follows:

Service failure	Amount
Lack of communication when changing or cancelling an appointment.	£25

Single failure to keep the customer updated on the progress of an ongoing repair or housing management case.	£25
Ongoing failures to keep a customer updated on the progress of an ongoing repair or housing management case.	£50
Minor delay in providing a service where the target has been agreed.	£25
Major delay in providing a service, significantly exceeding the agreed target.	£100 - £250
Poor level of service causing minor distress and/or inconvenience.	£25
Poor level of service causing considerable distress and/or inconvenience.	£100
Poor level of service on multiple points of failure causing major distress and/or inconvenience.	£500

4.14.6. In addition, Senior Managers have the discretion to award a gesture of goodwill payment of up to £1,000 for the same purpose. This also includes reviewing managers at Stage 2 of Salix Homes’ complaints process.

4.14.7. When assessing the appropriate amount for a gesture of goodwill payment, consideration should be given to the severity of any service failure and the associated impact on the customer.

4.15. Table 2: Statutory Payments

Statutory Payments	
Description	Detail
1) Home Loss	Home loss payments may be made to tenants or owner-occupiers who have lived in their property for a minimum of twelve months and are required to move home permanently as a result of redevelopment or demolition of their home.
2) Disturbance	Disturbance payments may be offered to cover the reasonable costs that a resident would incur as a consequence of being required to move to another property, either temporarily or permanently. Examples may include: <ul style="list-style-type: none"> • Removal costs • Forwarding of post (for a reasonable period) • Disconnection and reconnection of services (such

	<p>as telephone etc.)</p> <p>Salix Homes will pay essential utility bills in the decant properties for the period of occupation. To make a disturbance claim such as for travel costs, the resident will need to keep receipts for all payments.</p>
3) Right to Repair	<p>The Right to Repair Scheme covers small, urgent repairs costing up to £250 which, if not carried out within a prescribed period of time, are likely to jeopardise the health or safety of the tenant. Housing Association tenants have the right to claim compensation under the scheme if these qualifying repairs are not carried out within prescribed time scales. Details of the scheme and the payments available can be obtained by emailing repairs@salixhomes.co.uk</p>
4) Right to Compensation for Improvements	<p>See Appendix 1 to this document</p>

5. Monitoring / Performance / Targets

- 5.1. Below details how complaints feedback will be monitored in line with the Housing Ombudsman Service requirements:
- 5.2. Compensation payments made outside of the formal customer feedback and complaints policy will be documented and monitored by the repairs, compliance and investment support team.
- 5.3. Compensation payments made within the formal customer feedback and complaints policy will be documented and monitored by the complaints support officers within the customer service centre.
- 5.4. To help achieve our objective of delivering services that continuously improve and to ensure that we meet all statutory obligations, Salix Homes has systems and processes in place which allow us to monitor and evaluate our performance.
- 5.5. Board will receive updates on an annual basis, customer committee twice a year and the SMT on a quarterly basis detailing the following information:
 - Number of claims for compensation received
 - Number of claims for compensation agreed
 - Amount of compensation agreed per claim

- Total amount of compensation agreed
 - Total amount and number of gestures of goodwill paid
- 5.6. Suspected claimants who fall under the nuisance to landlord criteria and contrived or fraudulent claims will be investigated, and action taken if appropriate.
- 5.7. Salix Homes will benchmark its performance against other similar housing organisations with the aim of achieving continuous improvement and to ensure compliance with best practice.

6. Roles / Responsibility

- 6.1. The executive team holds overall responsibility for this policy.
- 6.2. The customer service and engagement manager holds operational responsibility for ensuring implementation of this policy in conjunction with awarding managers and the complaints support team.

7. Legal / Regulatory Links

- 7.1. This policy is developed in line with the following legislation and meets the requirements of the Consumer Standards;
- Social Housing (Regulation) Act 2023
 - The Local Government and Housing Act 1989.
 - The Local Government Act 1999.
 - The Landlord and Tenant Act 1985.
 - The Housing Act 2004.
 - The Data Protection Act 1998.
 - The Land Compensation Act 1974 as amended.
 - The Housing Act 1985 and 1988 as amended.
 - Section 30 of the Land Compensation Act 1973.
 - Local Housing Authorities (Right to Repair) Regulations 1994.
 - Leasehold Reform, Housing and Urban Development Act 1993.
 - Equality Act 2010
 - Housing Ombudsman Scheme's Complaint Handling Code 2024

8. Equality, Diversity and Inclusion

- 8.1. Salix Homes is committed to promoting and embedding a culture of equality, diversity and inclusion (EDI) within our workplaces and the communities we serve.

- Equality is about ensuring that every individual has an opportunity to make the most of their lives and talents;
- Diversity is recognising difference and responding positively to those differences;
- Inclusion is about creating an environment where our services and employment opportunities are accessible to all.

8.2. We are committed to meeting our obligations and duties under the Equality Act 2010 and to promoting equal opportunities both in the provision of services and in our employment practices. We will consider all the protected characteristics of the Act which are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Race
- Religion or belief
- Sex
- Sexual orientation
- Pregnancy and maternity

8.3. We also recognise that Socio-economic background is an area where inequalities exist and commit to addressing this disadvantage and inequality in our communities where able to do so.

8.4. We are also mindful of our duties under the Public Sector Equality Duty, which is to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.5. Where reasonable to do so, Salix Homes will make any reasonable adjustment to ensure compliance with the Act.

9. Related Documents

9.1. The following documents relate to this policy:

- Customer Feedback and Complaints Policy and Procedure.
- Disrepair Policy and Procedure.
- Anti-social behaviour hate crime and domestic abuse policy
- Equality and diversity policy.

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Appendix 1

Right to Compensation for Improvements

The Right to Compensation for Improvements applies to tenants who made improvements to their home and have reached the end of their tenancy, however, it does not apply to leaseholders. To be eligible for the Right to Compensation scheme the improvements must be on the list of qualifying items as follows:

Qualifying Improvements	Notional Life
Bath, shower, wash-hand basin or toilet.	35 years (full replacement)
Kitchen sink, work surfaces for food preparation, storage cupboards in kitchen or bathroom.	25 years (full replacement)
Space or water central heating.	15 years
Loft or cavity wall insulation.	30 years
Double glazing or other external window replacement or secondary glazing.	30 years (full replacement)
Rewiring or the provision of power and lighting or other electrical fittings.	50 years (full rewire)

To qualify for Right to Compensation for Improvements tenants must:

- Have received written consent from Salix Homes for the improvement to be carried out.
- Provide three estimates for the work by reputable contractors and have an estimate agreed, in writing, by Salix Homes.
- Request compensation from Salix Homes no longer than 14 days after the tenancy end date.

Tenants can claim compensation for the cost of materials including employed labour but not appliances and their own labour. The amount payable can be up to £3,000 for any one improvement but claims cannot be submitted for improvements that are £50 or less in value.

The amount of compensation payable is calculated taking into account depreciation of the improvement. Depreciation is calculated by taking the cost of the improvement, times the number of complete years it has been installed, divided by the notional life. The amount of depreciation is then taken off the value of the improvement to give you a compensation amount.

Example:

You install a new boiler at a cost of £2,000; the boiler has a notional life of 15 years. You then end your tenancy 3 years after the boiler is installed. The depreciation is calculated as follows;

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= £2,000 improvement value x (3 complete years after install ÷ 15 years notational life)

= £2,000 x 0.20

= £400 depreciation

This is subtracted from the improvement value to give you the compensation amount

=£2,000 - £400

= £1,600 compensation

Right to Compensation for Improvements will not be payable to tenants that apply to purchase their home through the Right to Buy / Right to Acquire schemes or where the tenancy is ended through possession proceedings.

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