



Customer Compensation Policy

Status: Approved

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Owned By :	Dan Blake - EDCE
Date Approved:	19 th September 2023
Approved By :	BHA Board
Review Date:	September 2026
Regulatory / Legislative Considerations/ References	<ul style="list-style-type: none">• Insurance Policy and Procedures• Housing (Scotland) Act 2001• Statutory Right to Repair and Compensation <p>In terms of the Scottish Social Housing Charter, the Scottish Housing Regulator has identified a number of key indicators relevant to customer allowances by which it will measure landlord performance, including the following:</p> <ul style="list-style-type: none">• Quality of housing - customers' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESH) and continue to meet it thereafter, and when they

	<p>are allocated, are always clean, tidy and in a good state of repair.</p> <ul style="list-style-type: none"> • Repairs, maintenance and improvements - tenants' homes are well maintained, with repairs and improvements carried out when required, and customers are given reasonable choice about when work is done. • Value for money – customers, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.
<p>Other Documents to be read in conjunction with this policy :</p>	<p>Please refer to the relevant guidance for the following:</p> <ul style="list-style-type: none"> • Right to Repair • Decant Procedure • Home Loss / Disturbance Payments • Right to Compensation for Improvements • Personal Injury/ illness • Insurance claims • Compliments and Complaints Policy

Policy Title:	Customer Compensation Policy
Purpose / Aim of policy:	<p>Berwickshire Housing Association (BHA) recognise that in certain circumstances where a customer suffers a loss due to the action, inaction or maladministration of the Association, then they may be entitled to be compensated. We also recognise our liabilities under the Housing Scotland) Act 2001.</p> <p>This policy is intended to provide guidance for compensation to current customers in circumstances not covered by existing government guidance or insurance.</p> <p>The aims of this Policy are to:</p> <ul style="list-style-type: none"> • To ensure that compensation and reimbursement are applied according to BHA policies; • To ensure that compensation payments are assessed, monitored and controlled; and • To promote consistency, while recognising the need for cases to be assessed on individual circumstances.
Scope of Policy:	<ol style="list-style-type: none"> 1. Circumstances where compensation will be considered <ul style="list-style-type: none"> - Failure to provide a service covered by a service charge - A room (or rooms) in a customer's home is uninhabitable - We have caused damage to a customer's property - Loss of facilities 2. Compensation as part of complaint resolution 3. Payment of Compensation 4. Guidelines for calculating compensation amounts 5. Monitoring compensation and reimbursement payments 6. Policy Review
Definitions:	<p>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).</p> <p>Reimbursement: Repayment, pay back, refund for expense or loss incurred.</p>
Approval Source:	BHA Board
Equality Impact Assessment:	The Customer Compensation Policy complies with BHA's Equal Opportunities and Diversity Policy to ensure equality of treatment for all customers without discrimination or prejudice. At all times BHA will therefore consider all customers, regardless of sex, faith or religion, race, ethnic origin, sexual orientation, mental or physical health, disability, or marital status.
Risk Implications:	The Customer Compensation Policy provides a framework for making payments to customers where it is deemed necessary to make a contribution to adequately and proportionately compensate or reimburse our customers when we fail to meet expected service levels, while ensuring that at all times BHA remains a financially viable and sustainable organisation.

	BHA aims to minimise risk by ensuring that customer compensation payments are paid out where necessary in accordance with the policy in a proportionate, consistent, equitable and transparent manner.
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INTRODUCTION

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.

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.

1. CIRCUMSTANCES WHERE COMPENSATION WILL BE CONSIDERED

In addition to customers' legal right to compensation, we may consider compensation payments in the following circumstances.

- 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.
- 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.

- 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 **Executive Director(s)** will decide the compensatory route to be taken and advise the customer 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.

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.

2. COMPENSATION AS PART OF COMPLAINT RESOLUTION

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.

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
- Colleague Guidance/training on lessons learnt from previous claims

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 colleague 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.

- 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, gesture of goodwill is not considered sufficient, or our previous responses have been inadequate,
- We have taken an unreasonable amount of time to resolve the issues complained about,
- The complainant has been required to spend an unreasonable amount of time and effort and/or expense in pursuing the complaint.

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

5. PAYMENT OF COMPENSATION

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

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.

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

Offsetting customer debts with offers of compensation/reimbursement

An allowance may be applied to the customer's account where arrears or other debt outstanding, for example a rechargeable repair (as defined in the Rechargeable Repairs Policy). However, the Head of Customer and Neighbourhood's can exercise discretion to avoid hardship. Customers must be informed, and agreement reached, when it is intended to offset an allowance against an arrear and/or a rechargeable repair. It is recognised that rent arrears should be the priority.

6. GUIDELINES FOR CALCULATING COMPENSATION AMOUNTS

The following are guidelines for the amounts payable in circumstances where an apology, goodwill gesture is not proportionate nor appropriate by means of compensation or reimbursement. Decisions on amount of compensation awarded will be taken by the Head of Customer and Neighbourhoods or Executive Director(s).

Circumstances		Suggested amount
Loss of service or facilities and damage to property		
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
<p>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.</p> <p>In every instance, BHA will continue to seek alternative suitable accommodation to avoid any delays.</p>		<p>£1500 - as per Home Loss and Disturbance Payments.</p> <p>To be calculated on a pro rata basis 4 weekly basis ($\text{£1500} / 52 \times 4 = \text{£115}$ per weeks)</p> <p>If ALL rooms are deemed uninhabitable, customer will be reimbursed rent debit for the impacted period.</p>
	<p><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></p>	
	<p>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.</p>	<p>In contractor damage, they would be liable for any associated costs and BHA would settle these whilst invoicing the expense.</p> <p>Customer should be referred to content's insurance for any damage to personal items.</p> <p>If the damage did not exceed customers' voluntary excess, BHA should consider a discretionary contribution proportionate to the established and evidenced liability.</p>
	<p>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.</p>	<p>Goodwill gesture dependent on circumstances.</p>

<p><i>Compensation in the following circumstances would only be payable where the loss <u>is the sole responsibility</u> 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></p>		
	<p>Total loss of facilities, where alternative accommodation is not offered.</p> <p>In every instance, BHA will continue to seek alternative suitable accommodation to avoid any delays.</p>	<p>£20 first week over target timescales, further £20 for every 28 days thereafter.</p> <p>If customer experiences total loss of facilities, customer will be reimbursed rent debit for the impacted period.</p>
	No heating source, where alternative heating source is not offered.	£10 first day over target timescales, £2 per day thereafter.
	No hot water - over target timescales	A one off payment of £25.00 will be offered
	No sanitary provision - over target timescales	A one off payment of £25.00 will be offered
	No cold water supply - over target timescales	A one off payment of £25.00 will be offered
	<p><i>Service Recovery as part of complaint resolution</i></p>	
	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 will be offered
	We have taken an unreasonable amount of time to resolve the issues complained about,	A one off payment £50.00 will be offered
	The complainant has been required to spend an unreasonable amount of time and effort and/or expense in pursuing the complaint	

7. MONITORING COMPENSATION AND REIMBURSEMENT PAYMENTS

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;

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- Date of offer;
- Date of acceptance; and
- Date of payment

The investigating 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.

The Executive Director will report on Compensation and Reimbursement payments to Operations Committee on an annual basis, or more frequently if required.

8. POLICY REVIEW

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