

**ISLINGTON AND SHOREDITCH HOUSING ASSOCIATION**  
**COMPENSATION AND DISTURBANCE ALLOWANCES POLICY**

**1. The aim of this policy**

- 1.1** Islington and Shoreditch Housing Association recognises that on occasions residents may receive services that do not meet acceptable standards. The purpose of the policy is to acknowledge that, in some circumstances, redress has to go beyond an apology or an acknowledgement of procedural fault.
- 1.2** This policy and related procedures provides a framework for the consideration, calculation and authorisation of compensation in situations where customers experience a failure in service delivery. The policy should be read in conjunction with the Association's Complaints Policy, and Decant Policy.
- 1.3** All customer feedback is welcomed by ISHA including complaints as these provide valuable opportunities to learn from mistakes and improve services.
- 1.4** Financial compensation will only be considered where no practical action can be identified that would remedy the adverse effect of the service failure. ISHA's aim is to implement this policy consistently and manage our resources effectively to ensure fairness and value for money.
- 1.5** Compensation should, as far as possible, put the complainant in the position that he or she would have been in but for the service failure.
- 1.6** The payment of compensation does not constitute an admission of legal liability
- 1.7** Financial compensation will be used to clear or reduce any arrears, court costs, re-chargeable and other debts owed to ISHA by the complainant.
- 1.8** Compensation may be reduced or not be payable where the resident has not kept appointments or in any way knowingly stopped or hindered ISHA's efforts to resolve the complaint.
- 1.9** Before financial awards are approved consideration should be given a range of remedies. ISHA will also consult with the complainant to find out how the resident would like to put things right. The following should be considered:
- An apology
  - An explanation giving a full answer to all points raised by the complainant

- An assurance that every effort will be made to ensure that the same thing does not happen again
- Action to put things right
- A review of policies and procedures
- Staff guidance and training
- Appropriate disciplinary action
- Financial compensation

**2.0 The scope of this policy is:**

- 2.1** To compensate residents or applicants for service failure.
- 2.2** To compensate residents who, through no fault of their own, are required to move home either temporarily or permanently.
- 2.3** To ensure that residents receive all statutory compensation such as “Home Loss” and “Disturbance“ payments as set out in the Land Compensation Act 1973 (as amended by the Land Compensation Act 1991)

**3.0 This policy applies to:**

- 3.1** All residents whether Tenants, Leaseholders or Shared Owners.
- 3.2** Others who may directly or indirectly receive or be affected by the services ISHA provides.

**4.0 Set payments**

- 4.1** The details of set compensation payments and authorisation levels are set out in appendix 1, except for Home Loss and disturbance payments which are set out in the Decant Policy and Procedure
- The statutory right to repair scheme:
  - Full or partial loss of rooms as a failure of service from ISHA
  - Full or partial loss of a utility service to the property
  - Failure to deliver services which form part of the services charges
  - Staff and contractors failure to keep appointments
  - Failure to respond to correspondence, telephone calls, and e mails
  - Home loss and disturbance payments

**5.0 Claims for damage**

- 5.1** If a tenant’s property has been damaged by contractors working for the Association during the course of the repair, it is the responsibility of the contractor to settle the tenant’s claim, although the Partnering Contracts Manager will assist the tenant in making the claim. In addition, where there is a dispute, or where a claim cannot be adequately settled the Partnering Contracts Manager should arbitrate.

- 5.2** If a claim for damage arises as the result of a tenant's belongings being damaged through, for example, a flood or fire, but where the damage was not caused by contractors working in their home, then the Association's liability will depend on whether: the cause was **unforeseen** (i.e. there was no way that the Association could have reasonably known about it or prevented it). In this case the recourse would be through the tenant's own contents insurance. If a tenant has not taken out contents insurance, and the cause is proven to be unforeseen, then the Association will not compensate the tenant.
- 5.3** The Association would, however, make a claim through its own insurance policy for damage to the property but not the contents or whether the cause was **foreseen** (i.e. damage occurred as a result of an outstanding repair previously reported to the Association). In this case the tenant will be reimbursed for the full claim of items, again on a like for like case taking into account depreciation. The claim would be administered through the Association's insurers.
- 5.4** Where damage is due to the action of another tenant the Association will not pay compensation unless it is proved that the Association by their inaction have been in some way liable for the resultant action. It will be for the tenant to prove the liability of the Association in these circumstances.
- 5.5** If the damage was caused by Association staff in the course of visiting a tenant's home, compensation will be limited to the replacement costs of the damage or, if appropriate, to the Association repairing it.
- 5.6** Finally, if, as a result of a repair, any room in a tenant's home is unusable, the tenant will be entitled to rent abatement based on the table in Appendix 1. **However, the compensation will not be payable for the first 28 days following the repair, as the Association must first have a chance to rectify the problem.** If after this time the room is still unusable, the abatement will continue until the problem is rectified.
- 6.0 Performance Monitoring**
- 6.1** In order to identify compensation expenditure and to identify trends ISHA will monitor all compensation with the reason for the refund/ compensation, type of compensation and value, date of incident and date settled, and the complainants name and address.
- 6.2** A central log of all compensation awarded will be held on:  
<G:\COMPLAINTS & CORRESPONDENCE\Compensation log 2010>
- 7.0 Equality and Diversity**
- 7.1** A diversity impact assessment has been carried out on this policy to identify any areas of possible discrimination.

## **8.0 Authorisation Levels**

- 8.1 Compensation which is within the set compensation levels can be assessed by the relevant member of staff dealing with the complaint and authorised by their manager.
- 8.2 If appropriate, set payments can be combined. For example a refund of service charges for failure to provide the service can be combined with a payment for failure to repair. Combined payments for failure of the same service must be approved by the relevant director.
- 8.3 The payment levels and details are set out in Appendix 1 of this policy.

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