

Compensation guidelines

1. Scope

- 1.1 This Guidance sets out ISHA's approach to managing compensation claims. Islington and Shoreditch Housing Association (ISHA) and Lien Viet are committed to providing an efficient service. We recognise that on occasion customers may receive services that do not meet acceptable standards. The purpose of these guidelines is to acknowledge that, in some circumstances, redress must go beyond an apology or an acknowledgement of procedural fault.
- 1.2 This Guidance applies to all residents of ISHA, properties owned by ISHA but not serviced by ISHA and any individual or group affected by the services ISHA provides.

2. Aims and Objectives

- 2.1 ISHA aims to provide a good and reliable service to all its customers and to resolve any issues before the need for a compensation payment arises. If services fail or fall below our published standards, then we will put the matter right.
- 2.2 The aims of this Guidance are to ensure that we:
 - set out the circumstances under which compensation can be paid and/or a goodwill gesture may be made
 - ensure payments are properly assessed, monitored and controlled
 - promote consistency
 - recognise that compensation claims need to be considered on the merits and circumstances of individual cases

3. Key terms and definitions

- 3.1 Compensation payments are made when a person has experienced a delay or has incurred additional costs because of a service failure on our part or if we have failed to carry out a service within our published guidelines. For example:
 - a temporary loss of amenities including heating, hot water, mains water and power within our control
 - inability to use part of a property
 - a failure to meet agreed standards of service
 - poor complaint handling
 - failure to provide a service that has been charged for

3.2 We will also pay compensation as part of our statutory landlord duties for the following: -

- Right to Repair
- Home Loss
- Right to improvement
- Disrepair

3.3 We may consider practical action to resolve a dispute to remedy an adverse effect that has been caused by the service failure instead of providing financial compensation.

3.4 We may make a goodwill gesture where appropriate in some circumstances to accompany an apology. This may include shopping vouchers, flowers or chocolates.

4. Guidance

4.1 When we will not consider compensation

We will not make compensation payments in certain circumstances. For example:

- Where the fault is caused by a third party or is something, we are not responsible for
- Where a claim can be made on home contents or buildings insurance
- Where the incident was caused because of negligence by the resident or their failure to comply with the terms of their tenancy or lease such as not providing access to contractors to complete work required
- Personal injury claims
- Circumstances beyond our control i.e. storm damage or flooding from extreme weather
- Impact because of reasonable property improvements made to our properties
- Evidence that a resident's lifestyle choices have resulted in condensation and mould growth due to lack of heating or air ventilation
- Where there is, or has been, a payment ordered by a court or competent tribunal in respect of the same issue
- Where work is required at a property and full communication of an action plan has been provided in advance and we have kept to this plan

4.2 Certain repair work may damage a resident's decorations. We will always attempt to make good, and if we are unable to exactly match existing decorations, we would not offer additional compensation.

4.3 We do not compensate residents for loss of earnings.

4.4 We do not reimburse residents if they decide to employ a repair contractor or advocate to assist them without getting our prior written permission.

4.5 We will not reimburse the costs of water lost in draining down to make a repair, or short-term use of electricity.

4.6 Where a resident is taking legal action against ISHA which involves a compensation claim the case will be managed by our Insurers and not considered under this Guidance.

4.7 Where we receive a compensation claim against a third party, such as a contractor working on our

behalf where damage or personal injury has occurred due to their negligence, we will actively enforce any contractual provisions and, where appropriate, may assist in the submission of a claim.

4.8 Residents are expected 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 and so on. This Guidance is not intended to replace or compensate for a resident's lack of home contents insurance.

4.9 We will adopt an evidence-based approach and will generally not make any compensation awards based on the belief of probability.

5. How to make a compensation claim

5.1 Residents can make a compensation claim in several ways, for example

- by telephone or in person
- in writing – by letter or email
- by completing our online complaints form

5.2 Claims should be made no later than 6 months after the damage or loss has been incurred. All claims will be acknowledged within 4 working days and assessed within 10 working days of receipt unless further actions are required to take place before compensation can be considered.

5.3 Only in exceptional circumstances, supported by appropriate evidence regarding any delay in making the claim, will we consider a claim after the six-month period and will be assessed on a case by case basis and entirely at our discretion.

6. How we assess compensation claims

6.1 In assessing a claim for compensation, the following factors will be considered:

- The severity of the time, trouble and inconvenience suffered and whether this was reasonably foreseeable by us
- We have already provided non-financial compensation e.g. repairs carried out
- An assessment of whether the loss or inconvenience could be reconciled in any other manner by the resident
- Any known costs that have been reasonably incurred
- Consideration of the household vulnerabilities, including age or disability, where we are aware of these vulnerabilities
- Recognition of any failure to follow policies and procedures
- The time taken to resolve the matter

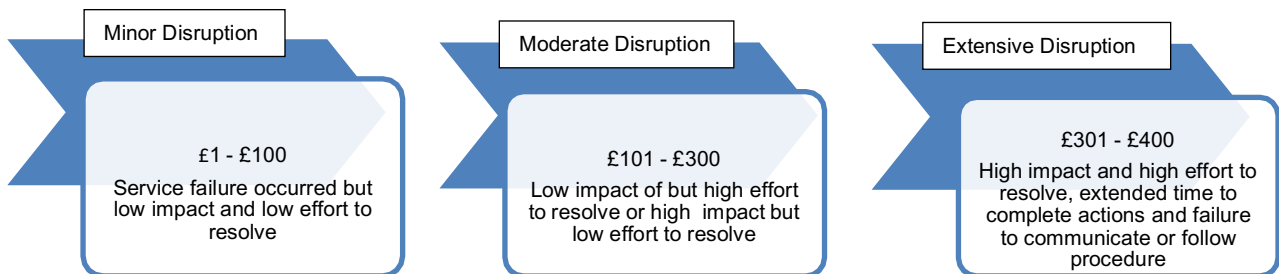
6.2 We may at times provide compensation over the above-mentioned limits if deemed fair and reasonable to do so but, must be authorised using the authorisation limits as stated in section 11.0 of this Guidance.

7. General compensation (applicable to all)

7.1 Time, trouble and inconvenience

Time, trouble and inconvenience caused	Up to a maximum of £400 (refer to 7.3 for payment method)
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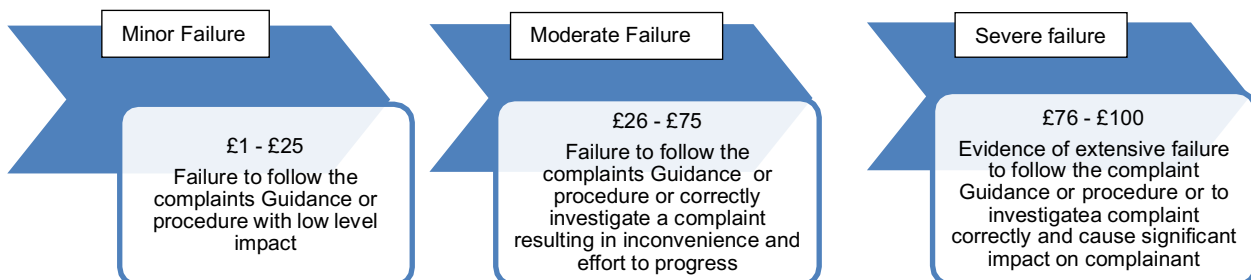
Scale for Time, trouble and Inconvenience



7.2. Poor complaint handling

Not adhering to the complaints procedure or Guidance or managing the complaint effectively through regular communication and proactive management or investigation	Up to a maximum of £100 (refer to 7.3 for payment method)
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Scale for Complaint Handling



7.3 Payments for time, trouble and inconvenience and poor complaint handling may be paid using Love 2 Shop vouchers or crediting a bank account or crediting a rent or service charge account to clear arrears.

8. Repair related compensation (not applicable to leaseholders or shared owners)

8.1 Compensation payments will only be applicable if we have failed to complete any repairs within our published guidelines. The compensation payment schedule below outlines the levels of compensation that may be paid:

Reason for compensation	Amount/action by ISHA
No heating (total loss)	£3 a day after initial 24 hours between the winter months of 1 October and 30 April.
No hot water (total loss)	£1 per day per person (per tenancy records) after initial 24 hours. This is capped at a total of £5 per day.
Total loss of mains water (where it is ISHA's responsibility)	£5 per day
Total loss of power (where it is ISHA's responsibility and not part of planned maintenance)	£10 per day after initial 24 hours.
Cost of additional food while cooking facilities are unavailable	£10 per day per adult and £5 per child after initial 24 hours.
Cost of additional electricity used while using a de-humidifier	£2 per day per de-humidifier
Missed appointment/missed response time (from ISHA staff, contractors or sub-contractors)	£15 Love 2 Shop vouchers
Damage to or loss of a resident's personal property, belongings or internal decorations	Where applicable a claim will be passed to the contractor's insurers if the damage is caused by them or to our insurers if caused by a ISHA member of staff and liability has been confirmed.
Discretionary decorating allowance	Up to £25 per room to complete additional decorating

8.2 We will compensate for loss of services only where negligence on the part of a contractor or ISHA can be proven.

Room Loss Allowance

8.3 The assessment as to whether a room or property is unusable will be made by ISHA at the point of the damage and repair request is made.

8.4 For each unusable room, a resident can receive up to the following percentage of the weekly rent as compensation. The maximum that can be claimed is 50% of weekly rent.

Room	Percentage of weekly rent	Period after which compensation is payable
Kitchen	25%	48 hours
Bathroom	25%	48 hours
Bedroom	20%	48 hours
Living room	10%	48 hours

8.5 If only partial loss of the room is experienced, the percentage of compensation will reflect this e.g. only the bath in the bathroom was unusable so instead of 25% being provided only 5% will be applicable as the whole room was not unusable.

8.6 If we assess that a resident has not had full enjoyment of the home or garden area, we will consider a compensatory award for lack of enjoyment using the table in 8.4 as a guide. Lack of enjoyment for the garden will only be considered during the period of 1 May until 31 October.

9. Leaseholder customers (including shared owners)

9.1 The general compensation section 7.0 applies to leaseholders (including shared owners)

9.2 Service charges paid for a specific service that we provide may be fully or part refunded if evidence is proven that we are responsible for the service and it was not provided as expected.

9.3 We may refund an insurance excess as a goodwill gesture, if ISHA are proven to be negligent in their handling of a repair or defect.

9.4 If a leaseholder lets out their property, we will not compensate for loss of rental income or rent increases and any compensation paid will be discussed and credited to the leaseholder directly and not the tenant of the leaseholder.

9.5 We will only pay for missed appointments on communal repairs if we have specifically requested that the leaseholder be present and our records support this.

9.5 If a leaseholder has purchased a new property from us and we fail to rectify property defects that have been identified and confirmed by us as a defect within a reasonable time, we will consider the following compensation. We will only compensate where we have caused the delays.

Compensation Payments Schedule		
Category of Defect	Amount/action by ISHA	Period of which compensation is payable
Emergency Defect e.g an uncontainable leak	£1 per day with a maximum of £300 per defect	If not made safe within 24 hours and making good work within 30 days
Urgent Defect e.g a slow leak	£1 per day with a maximum of £300 per defect	If not made safe within 5 days and making good work within 30 days
Routine Defect e.g an internal decorative issue	£1 per day with a maximum of £300 per defect	If not completed within 60 days

10. Payments and Appeals

- 10.1 We will normally offset any compensation payment against outstanding rent arrears or other debt the resident may have with us.
- 10.2 Offers of compensation will usually be made only once all remedial actions or repairs have been completed. This enables us to understand completely any adverse impact on the complainant and ensure this is reflected in our calculations. In accepting a compensation payment, a resident is acknowledging that the matter is resolved.
- 10.3 If the resident is dissatisfied with the level of discretionary compensation offered, they can appeal within 10 working days. In such circumstances the resident will be asked to specify what they consider is an acceptable amount of compensation and their reasons for requesting it. Following this the offer will be reviewed although it does not necessarily mean that any changes will be made to the initial offer.
- 10.4 If an appeal is not received within 10 working days the case will be closed but the offer of compensation as it stands, will remain valid for a total of 3 months from the date of the written offer being made. After 3 months, the offer will be withdrawn.
- 10.5 If agreement on a compensatory amount is not reached, the case will escalate to Stage Two (as per our Complaints Guidance). The case will be independently reviewed, and a final stage two response will be sent confirming the final amount of compensation being provided. Any offer made will remain valid for a further 3 months from the date the review was concluded, and the compensation offer made. After 3 months, the offer will be withdrawn.
- 10.6 Any payments will be made and credited no later than 30 working days from the date of compensation form being received.

11. Monitoring and Governance

11.1 All compensation payments will be monitored by the Communication and Involvement Team.

11.2 Compensation payments will be approved as follows:

Authorisation Limits

Payment Amount	Authorised Member of Staff
Up to £250	Responsible person investigating claim
Between £250 - £500	Manager
Between £500 - £1500	Head of Service
Between £1500 - £5000	Executive Director
Over £5000	Leadership Team

11.3 This Guidance will be reviewed 3 years after commencement; however, compensation levels will be reviewed periodically.

11.4 We reserve the right to suspend this Guidance at any time.

Related Policies:

- **Complaints Policy**
- **Repairs & Maintenance Guide**

Appendix one

Example A

Calculation for improvement

A tenant installs a new kitchen at the cost of £5000. The kitchen has a life of 15 years and the tenant moves out after 10. Assuming they received permission and we inspected the work, the compensation would be as follows:-

Cost of kitchen spread over 15 years (5000/15)	£333
Years tenant received benefit of new kitchen	10 years
Benefit tenant received = 333X 10	£3333
Amount to be paid back £5000-£3333	£1667