

# COMPENSATION POLICY

<b>Board Approval:</b>	<b>May 2021</b>	<b>Responsible Board:</b>	<b>Ocean Housing Ltd</b>
<b>Next Review:</b>	<b>May 2023</b>	<b>Responsible Executive:</b>	<b>Managing Director of Ocean Housing Ltd</b>

## 1.0 INTRODUCTION

### 1.1 Policy Summary

1.2 Ocean Housing is committed to delivering excellent services to its customers. In conjunction with our tenants and residents we have developed our Service Standard Commitments based on the National Housing Federation's Together With Tenants Charter.

1.3 The commitments are intended to drive our performance and ensure high levels of customer satisfaction.

1.4 The six commitments are:

- Relationships
- Communication
- Voice and influence
- Accountability
- Quality
- When things go wrong

1.5 We recognise that on occasion things may go wrong and customers may not receive the service or level of service that meets these standards. When this happens, a clear three-stage complaints procedure is in place to handle formal complaints so that they may be addressed consistently and in accordance with best practice.

1.6 This policy supplements the Ocean Housing complaints policy and sets how and when Ocean will consider compensation and on what basis. Fundamentally, it covers two types of compensation payments; those that are discretionary and those which Ocean are legally required to make. Ocean has a statutory duty to provide compensation for tenants in certain situations such as home loss, disturbance or for authorised home improvements.

1.7 Other compensation claims may arise when damage or injury is caused and require referral to Ocean's insurance company. These types of compensation are also addressed within this policy.

1.8 **Associated policies and procedures:**

- Customer Compliments and Complaints Policy
- Service Standard Commitments

## **2.0 POLICY STATEMENT**

- 2.1 This document sets out Ocean's Compensation Policy and related procedures when considering remedies for justified complaints. The policy applies to Ocean tenants, leaseholders and shared owners.
- 2.2 Ocean makes an offer of a discretionary compensation payment where a customer has been unreasonably inconvenienced. The payment is made to recognise inconvenience or loss caused and to balance the level of dissatisfaction that a customer may feel as the result of a service failure.
- 2.3 This policy forms part of our commitment to customer service and recognises that there will be occasions when we do not achieve the high standards that we set in consultation with our residents.

## **3.0 AIM**

- 3.1 The aim of this policy is to ensure that dissatisfied customers are given opportunities to raise their concerns. We encourage open and honest feedback and dialogue as it offers the organisation a valuable opportunity to learn and continually improve our services.
- 3.2 We accept that it is important for us to quickly recognise where we have failed to deliver our services to the required standard. Once such failures have been identified, we will ensure that our procedures for making good those failures are followed and compensation may form part of this process.

## **4.0 COMPENSATION**

- 4.1 Financial compensation will be considered on a case by case basis and generally where no practical action can be identified by Ocean to remedy the adverse effect that has been caused by the service failure. We believe that the redress made for any service failure should be appropriate and proportionate to the inconvenience suffered.
- 4.2 A payment will not be made where the fault is that of a third party. For example, failures on the part of utility suppliers. We will also not make payments for issues or problems resulting from matters which are beyond or outside of our control.
- 4.3 There are situations for which we do not have responsibility and where there is a need for customers to have their own household insurance to cover damage caused to their personal property. We encourage our customers to obtain their own household contents insurance and we will publicise specialist tenant focused schemes accordingly.
- 4.4 Where any compensation claim exceeds £1000, the matter may be referred directly to Ocean's appointed insurers for investigation and resolution. Such claims will be considered on their individual merits on a case-by-case basis.

4.5 Compensation claims under £1000 will normally be processed in accordance with this policy unless other issues arise which cause it to be referred to Ocean's appointed insurers.

4.6 Before financial awards are approved consideration will be given to a range of remedies that may be appropriate. The following list is not exhaustive but resolving a complaint could include:

- An apology
- An explanation giving a full answer to all points raised
- An assurance that every effort will be made to ensure the same thing does not happen again. This will be matched by action and monitoring of the remedy.
- Action taken to put things right
- A review of policies and procedure
- Staff guidance or training
- Appropriate disciplinary action

4.7 In some circumstances, payments will be made at the discretion of an authorised member of staff and the customer will not have to make a request. Other cases will require a formal claim to be made. Each case will be dealt with on its individual merits.

4.8 Whatever the nature of a customer's claim, we will:

- Act reasonably, objectively and fairly at all times;
- Look at all claims on their individual merits;
- Listen carefully and give due attention to the customer's point of view;
- Respond quickly and politely; and
- Aim to reach an agreement with which the customer is satisfied.

4.9 We will monitor our performance in using the Compensation Policy to improve our working practices with regard to customer care.

## **5.0 FACTORS TO BE CONSIDERED IN DECIDING LEVEL OF COMPENSATION**

5.1 The effects of the complainant's own action e.g:

- Where delay in dealing with the matter was partly the fault of the complainant and partly the fault of Ocean
- Where the complainant has not taken action to mitigate the effect of the failure and could reasonably have been expected to do so
- Where the complainant has not taken advantage of an available benefit (such as an alternative contractor)
- Where the actions of the complainant were unreasonable for example by pursuing a complaint in unnecessary and excessive detail

## **6.0 DAMAGE TO PROPERTY**

6.1 Ocean will, at its discretion, consider compensation for customers when there has been loss or damage. Compensation will not be awarded as standard practice and such claims must be supported by evidence and receipts must be provided.

- 6.2 Only compensation requests made at the time of the initial complaint will be considered, and awards will only be made back to the date the service failure was first reported to Ocean and only until the satisfactory resolution of the complaint.
- 6.3 A claim may be assessed either by Ocean or passed to our insurers for their consideration. Claimants will be advised how their claim will be considered.
- 6.4 Compensation for damage will not be considered when:
- legal proceedings are underway or have taken place
  - where Ocean has not been negligent, or the loss or damage is the result of unforeseen circumstances (such as extreme weather)
  - there is a current associated insurance claim against Ocean
- 6.5 Where damage has not been caused by Ocean and the loss is covered by the customer's own contents insurance, or the customer could reasonably have obtained such insurance, claims will not be considered.
- 6.6 If the customer has an outstanding debt with Ocean, the compensation will be used to offset this in the first instance.

## **7.0 HOME LOSS AND DISTURBANCE**

- 7.1 Where a tenant is affected by major works disturbance payments are covered in the Ocean Housing Decanting Procedure.
- 7.2 Statutory home loss payments will be awarded to qualifying tenants in accordance with the Land Compensation Act 1973, Section 29. The amount payable will be in line with the Home Loss Payments (Prescribed Amounts) (England) Regulations at that time.
- 7.3 To qualify for a home loss payment, an Ocean tenant must:
- Have lived in the property for at least one year
  - Hold an Assured or Secure tenancy
  - Be moving out permanently
- 7.4 Where a tenant does not meet the qualification criteria as listed in 7.3 above, Ocean may consider a discretionary payment, dependent on the individual circumstances of the case.
- 7.5 A claim for a home loss payment must be made by the tenant within 6 years of moving out of their home and only one payment is made per property.
- 7.6 Where Ocean acquires a leaseholder's property for redevelopment, Ocean will make a home loss payment equivalent to 10% of the market value of the leaseholders' interest in the property, subject to a maximum of £63,000 and a minimum of £6,300.

## **8.0 HOME IMPROVEMENTS**

8.1 Under the 'Right to Compensation', when a tenant ends their tenancy, they may claim compensation from their landlord if they have carried out authorised improvements to their property tenants may carry out small improvements to their home at their own cost. However, the tenant must receive written permission from Ocean prior to making any substantial improvement that affects the structure of the home or any of its fixtures and fittings.

8.2 In the latter instance the tenant must submit three estimates from bona fide contractors to Ocean, using an agreed specification for the work, and state the reasons for choosing a particular estimate. Only when Ocean has agreed the estimate can the tenant then instruct the contractor to start work. The tenant must not be in arrears with Ocean, and will be responsible for obtaining any necessary consent, such as Building Regulation approvals.

8.3 It is also a requirement for the tenant to notify Ocean in writing when the improvement has been completed so that the date of improvement work can be agreed and that the work can be inspected.

8.4 Compensation for improvements will not be considered where:

- a. The tenancy is terminated through a possession claim based on the tenant's breach of tenancy conditions.
- b. The tenancy is ending because the tenant is purchasing the property under the 'Right to Buy', as the tenant has the continuing use/enjoyment of the improvement after purchase.
- c. The improvement work was not authorised by Ocean or was carried out before 1 April 1994
- d. The type of improvement work does not qualify for compensation.

8.5 Any claim for compensation for improvements must be submitted within 14 days of the tenancy end date.

## **9.0 COMPENSATION AWARDS**

9.1 Before financial awards are approved consideration will be given to a range of remedies as outlined at point 4 of this policy. If financial compensation is considered appropriate it will be applied in the following order:

1. Payment made to rent account (if in arrears)
2. Flowers / gifts
3. Vouchers
4. BACS payment to the tenants bank account

9.2 Where it is considered that financial redress is the only viable option the following guidance will be used to decide upon the suitable level of compensation.

Degree of Ocean Responsibility	No Impact	Low Impact	Medium Impact	Major Impact
None	£0	£0	£0	£0
Partial	£0	£100	£300	£500
Full	£0	£250	£500	£750

9.3 **Low Impact:** Where the complainant has just cause and the duration was short but there has been minimal or no inconvenience or distress as a result of the compensation event. The circumstances are such that although the manager accepts the service has not achieved the expected standard, the impact is no greater than a reasonably tolerant person could be expected to accept and the compensation constitutes a token acknowledgement of the failure to perform.

9.4 **Medium Impact:** Where the compensation event is clearly an injustice to the complainant and the service has markedly failed to meet the required standards, and there is evidence of a moderate degree of inconvenience or distress. A repeated failure of the organisation to address the shortcoming, even of a low impact event, could give rise to consideration of a medium impact level of compensation. Medium impact should be where there is no permanent impact on the complainant.

9.5 **Major Impact:** These relate to a serious and significant failure in service standards with a long terms impact of maladministration or severe maladministration. The claimant will have suffered a considerable degree of inconvenience or distress as a result. Major impact could also apply where, actions (or inactions) of the company, the complainant has reasonably incurred expenses that are directly related to the compensation.

## 10.0 Exception

10.1 Where any other exception is made to Ocean's Compensation policy, authority to make the exception may only be granted by the Group Chief Executive or Managing Director of Ocean Housing.

## 11.0 PERSONAL INJURY AND LIABILITY CLAIMS

11.1 If the complainant makes a suggestion or claim that a failure in service by Ocean has resulted in a personal injury or liability claim, the standard complaint procedure will be halted and the claim referred to our insurers.

## **12.0 DATA PROTECTION BREACH (GENERAL DATA PROTECTION REGULATIONS GDPR)**

12.1 The GDPR gives customers a right to claim compensation from Ocean if they have suffered damage as a result of it breaking data protection law. This includes both “material damage” (e.g. lost money) or “non-material damage” (e.g. suffered distress).

12.2 Every effort should be made to resolve the data breach swiftly to minimise the potential damage, and compensation should only be considered as a last resort. Please refer to the Ocean Data Protection policy for more information.

## **13.0 EQUALITY, DIVERSITY AND INCLUSION**

13.1 Ocean will apply this policy consistently and fairly and will not discriminate against anyone based on any relevant protected characteristics, including those set out in the Equalities Act 2010.

13.2 Ocean will make this policy available in other languages and formats on request.

## **14.0 MONITORING AND REVIEW**

14.1 We will monitor this policy to ensure it meets good practice and current legislation and will review it in accordance with our review timetable for all policies.