

COMPENSATION POLICY

Board / EG Approval:	Sep 2025	Responsible Board:	Ocean Housing Ltd
Next Review:	May 2027	Responsible Executive:	Executive Director of Housing and Communities

1.0 Policy Statement

- 1.1 This policy sets out how and when Ocean will consider compensation and on what basis.
- 1.2 Fundamentally, it covers four types of compensation payments:
 - mandatory (such as statutory home loss payments)
 - quantifiable loss payments (where people can demonstrate actual loss)
 - discretionary payments (for time and trouble/distress and inconvenience)
 - personal injury
- 1.3 Associated policies and procedures:
 - [Compliments and Complaints Policy](#)
 - [Service Standards](#)
 - [Customer Care Policy](#)

2.0 How Will Ocean Apply This Policy

- 2.1 This policy applies to all Ocean customers, regardless of tenure type.

3.0 Aim

- 3.1 The aim of this policy is to ensure that we apply a consistent approach to our assessment of compensation.
- 3.2 In relation to complaints, 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.
- 3.3 Where we have a legal responsibility to pay compensation, such as home loss we will be pro-active in doing so.

4.0 Compensation

- 4.1 Compensation will be considered on a case-by-case basis. The different types of compensation and process for each is set out below.

4.2 Mandatory Payments

4.3 Home Loss and Disturbance Payments

- 4.4 Statutory home loss payments will be paid to qualifying tenants in accordance with the Land Compensation Act 1973, Section 29.
- 4.5 The amount payable will be in line with the Home Loss Payments (Prescribed Amounts) (England) Regulations at that time.
- 4.6 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
 - The move must be compulsory
- 4.7 Where a tenant does not meet the qualification criteria as listed in 4.6 above, Ocean may consider a discretionary payment, dependent on the individual circumstances of the case, subject to approval by the Managing Director of Ocean Housing
- 4.8 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. The payment must be made within three months of the claim.
- 4.9 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.

5.0 Home Improvements

- 5.1 Under the 'Right to Compensation', tenants may be entitled to compensation in respect of qualifying improvements made to their property. All improvements must have been agreed in writing prior to commencement. Compensation is subject to the details as set out in Ocean's Customer Alterations, Improvements and Adaptions Policy.
- 5.2 The following items qualify as improvements:
- Bath, shower, wash-hand basin or toilet
 - Kitchen sink
 - Storage cupboards in kitchen or bathroom or work surfaces
 - Space or water heating (Including solar panels or other 'green' heat sources)
 - Thermostatic radiator valves
 - Pipes, cold water tank or hot water cylinder
 - Draught proofing to exterior doors or windows
 - Double glazing or other window replacement or secondary glazing
 - Electrical re-wiring or the provision of power and lighting or other electrical fittings, including wired-in smoke detectors

- 5.3 Adjustments to the amount of compensation payable will be made where:
- The cost of improvement is considered by us to be excessive, or
 - The improvement is of higher quality than we would normally expect to install or the improvement has deteriorated at a greater or lesser rate than expected.
- 5.4 It is also a requirement for the tenant to notify Ocean in writing when the improvement has been completed so that the date of completion of the improvement work can be agreed and that the work may be inspected.
- 5.5 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.
- 5.6 Any claim for compensation for improvements must be submitted within 14 days of the tenancy end date. Any discretionary decision to retrospectively authorise tenant improvements can only be made by the Managing Director of Ocean Housing in exceptional circumstances.

6.0 Quantifiable Loss Payments

- 6.1 Ocean will, at its discretion, consider compensation for customers when there has been loss that is clear and measurable. Compensation will not be awarded as standard practice, and such claimants may be required to provide Ocean or our insurers with evidence and receipts.
- 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 it was first reported to Ocean and only until the satisfactory resolution of the complaint.
- 6.3 Damage to tenants' property or possessions should be covered by the tenant's own contents insurance policy.

7.0 Discretionary Payments

- 7.1 Discretionary payments may be made for the following reasons, although this list is not exhaustive.
- poor complaint handling
 - delays in providing a service e.g. in undertaking a repair
 - failure to provide a service that has been charged for
 - temporary loss of amenity

- failure to meet target response times
 - loss of use of part of the property
 - failure to follow policy and procedure
 - unreasonable time taken to resolve a situation
 - inconvenience, distress, and upset
- 7.2 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.
- 7.3 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.
- 7.4 Consideration will be given to a range of remedies that may be appropriate. The following list is not exhaustive but resolving a claim could include:
- acknowledging where things have gone wrong.
 - providing an explanation, assistance, or reasons.
 - apologising.
 - taking action if there has been a delay.
 - reconsidering or changing a decision.
 - amending a record.
 - changing policies, procedures or practices.
 - staff training from lessons learned.
 - financial awards.
- 7.5 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; take account of the cumulative impact on the customer.
 - Review and take in to account any customer vulnerabilities including health conditions.
 - Aim to reach an agreement with which the customer is satisfied.
- 8.0 Factors to be considered in determining the level of discretionary compensation**
- 8.1 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

8.2 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.
- damage has not been caused by Ocean and the loss is or could have been covered by the customer's own household insurance.

9.0 Personal Injury and Liability

9.1 Personal injury or liability claims will be referred to our insurers. Examples of personal injury claims include slips, trips, and falls.

9.2 This will be reviewed on a case-by-case basis and the claimant will be advised of the course of action where an insurance claim is the most appropriate course of action.

9.3 Where we determine that a claim through our insurers is not required, we may still inform them, should a formal claim be made in the future, or if the terms of the policy require notification to be made.

10.0 Compensation Awards

10.1 Before financial awards are approved consideration will be given to a range of remedies as outlined at point 7.5 of this policy. If financial compensation is considered appropriate it will be applied in the following order:

- Flowers / gifts
- Vouchers
- Payment made to rent account
- BACS payment to the tenant's bank account

10.2 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	Service Failure / Impact			
	None	Minor	Moderate	Severe
None	£0	£0	£0	£0
Partial	£0	£100	£300	£500

Full	£0	£250	£500	£750
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- 10.3 **Minor:** Where there is just cause and the duration was short but there has been minimal or no inconvenience or distress because of the compensation event. The circumstances are such that although Ocean 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.
- 10.4 **Moderate:** Where the compensation event is clearly an injustice 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 minor impact event, could give rise to consideration of a moderate impact level of compensation. Moderate impact should be where there is no permanent impact on the claimant.
- 10.5 **Severe:** These relate to a serious and significant failure in service standards with a long-term impact of maladministration or severe maladministration. The claimant will have suffered a considerable degree of inconvenience or distress as a result. Severe impact could also apply where, actions (or inactions) of Ocean has meant that the claimant has reasonably incurred expenses that are directly related to the compensation.
- 10.6 Discretion can be used to offer compensation outside of the parameters set out in the table above which acts as guidance only. Such cases will be assessed on a case-by-case basis.

11.0 Compensation Authorisation

- 11.1 Compensation Payments up to and including £500 will be approved by the relevant Head of Service (subject to complaint not being about their team, Executive Director of Housing and Communities to approve if so).
- 11.2 Compensation Payments up to and including £2,000 - approved by the Executive Director of Housing and Communities (subject to complaint not being about them, Group Chief Executive to approve if so).
- 11.3 Compensation Payments above £2,000 - approved by Group Chief Executive.
- 11.4 Compensation payments made will be reported monthly to Executive Group and quarterly to the Boards of OHL and OHGL, showing cumulative cost to date and matched to budget.

12.0 Exception

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

13.0 Data Protection Breach – General Data Protection Regulation (GDPR)

- 13.1 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).
- 13.2 Every effort will 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.

14.0 Equality, Diversity and Inclusion

- 14.1 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.
- 14.2 Ocean will make this policy available in other languages and formats on request.

15.0 Monitoring and Review

- 15.1 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.