



**City of London Corporation**  
**Department of Community & Children's Services**  
**Housing Division**

**COMPENSATION POLICY**

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Approved by:	<i>Housing Management &amp; Almshouses Sub-Committee</i>
Original Approval Date:	<i>September 2016</i>
Review Date:	<i>April 2020</i>
Re-Approval Date	<i>30/09/2020 v2.</i>
Review Date:	<i>September 2023</i>
Re-Approval Date	<i>28/11/2024 (v.3 – this version)</i>
Next Review Date	<i>November 2027</i>

## **1. Purpose**

City of London's Housing Division is committed to providing an excellent service however we recognize that sometimes things may go wrong. This policy outlines our approach in which customers may be entitled to a goodwill gesture or financial compensation should the Housing Division (or a contractor acting on our behalf) fail to deliver a satisfactory service.

Any form of compensation is an exceptional course of action and will only be considered if other outcomes are not deemed appropriate. In most cases it is reasonable to resolve complaints by:

- Apologising for the failure
- Providing the service asked for
- Changing the service provision or procedures for future use where a complaint has highlighted that a change is required
- Reconsidering a decision which may have been unreasonable or unfair

In exceptional circumstances, where the situation cannot be rectified by apology or practical action, compensation may be appropriate. The types of service failures that may trigger compensation, whether caused by staff, or contractors or agents acting on our behalf, are as follows:

- Failing to deliver /provide a specified benefit, service or other entitlement
- Loss of amenities
- Loss of, or damage to, personal property
- Where a customer has incurred an expense as a result of our failure to provide a service

A table summarising how much we award as a payment of goodwill is set out at Appendix 1.

## **2. Aims of this Policy**

The aims of this policy are to:

- Make it clear the circumstances where compensation will be paid.
- Ensure fairness and consistency when calculating compensation.
- Provide guidance on how and when compensation can be claimed.

## **3. Scope**

The policy applies to residents living on City of London Housing Service estates which are managed as part of the Housing Revenue Account (HRA), namely:

- tenants
- leaseholders
- freeholders
- residents of City of London and Gresham Almshouses properties

In exceptional circumstances, this policy may apply to non-residents, subject to the Assistant Directors of Housing and Property Services' discretion.

## 4. Policy Statement

### 4.1 Compensation as part of complaint resolution

Compensation may be considered at any stage in our complaints process. Our complaints policy encourages the quickest possible resolution of the issue. As part of our approach to resolving complaints, we may offer compensation if:

- After looking into the complaint, it's discovered that a service has consistently or seriously failed.
- A customer who has voiced a complaint about a service provided by the City of London's Housing Division and has not received adequate communication from a staff member, nor has the communication occurred in a timely manner.
- Damage to or loss of personal property has been caused by the City Corporation or its nominated contractors
- Other approaches to resolve the complaint, such as an apology and/or explanation are deemed insufficient, or our previous responses have been inadequate.
- We have taken an unreasonable amount of time to address the concerns raised.

Each case will be considered on its own merits. Such discretionary payments may be in conjunction with or separate to any other compensation payable for loss, however not for the same issue.

The event for the consideration of compensation should have occurred within the last twelve months. Compensation in respect of an event that happened more than twelve months previously will only be considered in exceptional circumstances. An exception may be made if there have been continuous delays in bringing the matter to a conclusion) by those working for the City.

We would require supporting information/evidence to consider each claim. For example, claims for damage to belongings would need to be supported with the appropriate receipts and pictures/documents evidencing the damage.

### 4.2 Circumstances in which compensation will be issued

There are three types of compensation payment that will be considered under this policy:

**Mandatory payments** – this applies to disturbance or loss of home, where payments will be made to compensate where you lose the right to rent/reside at your home, or to compensate you for reasonable expenses incurred in being re-housed, either on a temporary or permanent basis

**Quantifiable loss payments** – where you can demonstrate actual loss as a result of

our actions or omissions, or those of a third party working on our behalf

**Discretionary payments** – goodwill payments may be made when there has been a failure of service which has caused delay, distress or inconvenience.

### **Mandatory Payments**

These are made to compensate for any reasonable out of pocket expenses you incur where you have been asked to move out of your property through no fault of your own. These payments are variable.

The following expenses will generally be covered and where possible we will arrange and carry out works directly or through our approved contractors. If you wish to arrange your own works, we will only reimburse you for reasonable costs of works and on production of a works schedule, valid receipts and/or paid invoices.

Depending on the circumstances of your case, we may provide the following services;

- Assistance with removals - we may arrange removals for you and we may arrange a packing service, if this is required depending on the circumstances.
- Disconnection and reconnection of domestic appliances such as cooker, washing machine, telephone, broadband, television aerial/satellite dish.
- Redirection of post for up to 3 months
- Assist with the cost of altering existing or purchasing new carpets and curtains (and refitting of rails/blinds). We will not pay disturbance costs for carpets or curtains if they are in good condition or if the carpets and curtains in the old property can be adapted and fitted in the new property.
- Refitting security alarms or other security equipment.
- Repair adaptations in a property to a good standard.

### **Quantifiable Loss Payments**

If a complaint investigation finds that you have incurred costs as a direct result of our actions or omissions, then we will consider compensation to offset your reasonable costs. This may include (but is not limited to);

- Paying reasonable costs for increased heating costs as a result of repair works.
- Paying reasonable costs for alternative accommodation or takeaway food.
- Paying reasonable costs for cleaning.
- Paying reasonable costs for carrying out your own repairs where it is proven that we have failed to carry out our obligations.
- Paying reasonable costs for replacing lost or damaged possessions.

We will not cover costs if you have:

- not notified us of the issue.
- given us reasonable time to rectify the issue.
- refused us access to the property.
- refused our offer to rectify the issue.

## **Discretionary Compensation**

### Missed Appointments

If an employee, or a contractor working on our behalf, fails to attend a re-booked appointment unreasonably, a payment may be made depending on the circumstances. This cannot be claimed if you are given reasonable notice in advance that the appointment is cancelled.

To qualify for a missed appointment payment, you must have been available to allow access during the appointment time and have agreed the appointment in advance.

### Loss of heating and hot water

Between 31<sup>st</sup> October and 30<sup>th</sup> April (colder weather), if you have made a complaint and you continue to be without heating for a period of longer than 3 full days, we may provide compensation. This includes the cost of using any temporary heating that we provide.

Between 31<sup>st</sup> October and 30<sup>th</sup> April, if you have made a complaint and you continue to be without hot water for a period of longer than 5 full days, we may also provide compensation at a lower rate.

The provision of temporary heating will be reviewed on a case-by-case basis and will be influenced by the makeup of the household (for example, households with elderly, disabled, or children under the age of 12).

### Payment for Services

If we have failed to deliver a significant service paid for through fixed service charges, we will consider the charge for the service, the disruption caused and how long the service was unavailable. The charge may be adjusted the following year. In exceptional circumstances material errors in fixed charges may be addressed during the year.

For variable service charges, service failures will be credited and carried forward in the accounts or reimbursed to you after reconciliation of the accounts.

### The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994

The Right to Repair Regulations cover specific repairs, known as 'Qualifying Repairs' which cost less than £250 and should be done within a set time limit for Secure Tenants. If these are not carried out within that time, and without justified reasons for its delay, you may be entitled to compensation.

### All other discretionary compensation payments

Each case will be considered for compensation on an individual basis and consider all

known circumstances and supporting evidence. We will work on evidence and facts and will not make any compensation awards based on the belief of what might have happened. All reports of loss or inconvenience will be investigated once evidence is provided. Factors that will be considered when the level of compensation is considered include:

- Whether you have contributed to the failure in service. This could be when there have been problems gaining access due to your availability, or delays in reporting the problem.
- The level of stress or distress caused as a result of action or inaction by the Housing Division or its contractors. This will include the severity of the distress, the length of time involved, and the number of people affected.
- The amount of inconvenience (time and trouble) you have experienced and how much effort was required by you to resolve the problem.

Compensation payments for delay and distress will be made based on the level of the Housing Division's responsibility for the loss or inconvenience and the impact on you. These payments may be in addition to another loss payment.

#### **4.3 Circumstances in which compensation will not be considered**

We will not consider a claim of compensation where:

- The loss or damage was caused by you, another household member or visitor to your property. This includes failure to report a repair promptly or to keep an appointment.
- The fault was unforeseeable and could not have been prevented by the Housing Division.
- The fault was caused by a third party and the Housing Division had not made the issue worse such as water leaking from a neighbouring property (unless we had already been alerted to this and had not resolved it promptly).
- Personal possessions are lost, stolen or damaged through no fault of the Housing Division or its contractors.
- Service failure or damage that is the result of extreme or unforeseen conditions, such as the weather
- Loss of supply of gas, electricity or water that is outside of the Housing Division's control, such as a failure by the utility provider.
- The loss or damage is covered under a policy of insurance (e.g. the City Corporation's building insurance, your contents or personal possessions insurance policy)
- Personal injury has occurred. You or the claimant should seek legal advice to

ensure such claims are properly presented and we are required to refer them to the City Corporation's legal and insurance advisors.

- Legal proceedings have been issued. This is to avoid both parties prejudicing their legal rights and remedies

#### **4.4 Buildings and Contents Insurance**

The City Corporation is responsible for insuring the buildings and permanent fixtures and fittings in the residential estates. This insurance covers the cost of repair replacement or reinstatement of the building following an insured loss. All claims relating to damage to the building must be reported and considered by the City Corporation's insurers in the first instance, before we will consider a claim under this Compensation Policy.

Contents insurance covers the cost of replacing or repairing your own household possessions if they are damaged, destroyed or stolen. You should make sure you have sufficient home contents insurance to cover damage to your belongings.

Please see the Insurance Cover and Claims Policy for more information.

#### **4.5 Public Liability Insurance**

The City Corporation has public liability insurance that covers compensation payable to third parties for injury, loss or property damage arising out of the City Corporation's negligent acts or omissions.

Depending on the nature of the claim, the Housing Division may refer the matter claim to our insurers or legal advisors.

#### **4.6 Paying compensation**

Offers of compensation will be made in writing and expressed to be '*in full and final settlement*' of the matter.

Compensation will be applied to your account if you owe us rent, service charges, council tax or other debts. If your account is up to date, we will pay this directly to you. If we are reimbursing you for loss or damage to goods or other costs incurred unnecessarily by you, we will pay this directly to you regardless of whether your account is up to date. In order for these payments to be made, proof of purchase must be provided in the form of receipts or paid invoices.

Forms of compensation may include:

- Adjustment to your rent account, council tax account or service charges, if you're in arrears
- Flowers or gift cards
- Vouchers
- Monetary compensation in the form of direct bank transfer

All payments made are subject to our financial processes and approvals.

### **13. Policy Variations**

In exceptional circumstances, we may consider making a variation to this policy on discretion. Our reasoning can be provided to the affected parties on request.

### **14. Monitoring and Performance**

We will monitor our use of this policy and the way in which it is implemented, ensuring that any relevant information is reported at appropriate intervals.

### **15. Training**

We will provide all staff responsible for implementing this policy with comprehensive training as required.

### **16. Equality and Diversity**

This Policy has been subject to a full Equalities Analysis and will be implemented in accordance with our responsibilities and duties under relevant legislation, including the Equalities Act 2010.

### **17. Accessibility**

We will ensure that residents' needs are considered when implementing this Policy to ensure that they are treated fairly. We will make appropriate arrangements to ensure that customers with distinct communication needs are not unreasonably and disproportionately affected. This could involve providing communications in alternative languages or formats, or providing interpretation or transcription as appropriate.

### **18. Data Protection and Information Exchange**

We will comply with our obligations under relevant data protection legislation and regulations. We will process and store personal information securely.

There are some circumstances in which we are required by law to disclose information given to us.

### **19. Policy Review**

We will review this policy at least every three years, or following relevant changes to



legislation, regulation or policy.

**20. Related documents**

- Complaints Policy
- Insurance Cover and Claims Policy
- Disposal of Personal Property Policy
- Tenants' Agreement and Handbook

## 21. Document Management

Department of Community & Children’s Services		 CITY OF LONDON
Housing Service		
Policy Title: Compensation Policy		
Document Owner: Head of Housing Management		
Date Approved: <ul style="list-style-type: none"><li>• September 2016 (original)</li><li>• 30/09/2020 (version 2)</li><li>• 28/11/2024 (version 3 – this version)</li></ul>		
Version: 3	Last amendment: November 2024	
Effective date: 01/09/2016	Next review date: November 2027	
Changes in this version: <ul style="list-style-type: none"><li>• Updated procedures</li><li>• Schedule of compensation included as appendix</li></ul>		

## Appendix 1: Schedule of Compensation Amounts

All service failures and requests for compensation are different and will be considered on their own merits in accordance with our policies, including the Compensation Policy.

The information provided below is to help officers to assess how much compensation may be due in different types of circumstance, and to provide a benchmark to ensure compensation for similar types of service failure is considered fairly.

This list is not exclusive and there may be other factors we consider when making the decision.

The City is under no obligation to pay the compensation amounts outlined in this policy.

### ***Schedule of Compensation***

<b>Description</b>	<b>Compensation</b>
Two or more missed appointments (with no reasonable attempt to inform)	£25
Loss of Communal Heating (more than 72 hours) during colder weather	Relevant daily charge uplifted by 50%. (In colder months) offer electric fan heater and pay £10 per week.
Loss of Communal Hot Water (more than 72 hours)	Relevant daily charge uplifted by 50%
Loss of individual heating or hot water during colder weather	Offer of electric fan heater and payment £10 per week.
Loss of Living Space / Room	Offer of 20% of net daily rent per room.
Damage or loss of belongings caused by the Housing Division	Repair, replace or offer compensation for current value of item
Damage or loss of belongings caused by a contractor	Oversee process with contractor to repair, replace or offer compensation for current value of item as per the terms of the contract with City of London's

	Housing Division
Minor service failure	£50
General inconvenience, delays and distress	Case by case*

\*We will consider payments in the regions detailed below.

**Offers of £50 to £100** – Considered in instances of service failure resulting in some impact on you or members of your household. The impact may be of short duration and may not have significantly affected the overall outcome.

**Offers of £100 to £250** – Considered if we have found a considerable service failure, but there may be no permanent impact on you or members of your household.

**Offers of £250 and above** – Offers of this amount will be used in recognition when there has been a severe long-term impact on you or members of your household, this includes physical or emotional impacts, or both.

### Further Information

There are examples of case studies, the findings made by the Ombudsman and the levels of compensation paid on the Housing Ombudsman website:

<http://www.housing-ombudsman.org.uk/useful-tools/case-studies>