

# Compensation Policy

**Date written:** March 2015

**Date reviewed:** July 2021

**Purpose:** To set out Bernicia's policy on offering compensation to customers.

**Scope:** This is a group policy and is applicable to all customers.

**Date for review:** July 2024

**Responsibility:** Head of Housing

## Policy

### 1. Introduction

- 1.1 Bernicia recognises that, whilst a number of rights are embodied within both the Tenancy Agreement and statutory provision, there are still situations which may arise where tenants may have to meet additional financial outlay or suffer a loss in services provided because of action or lack of action taken by the group.
- 1.2 This document defines the areas where, as a matter of policy, the group are prepared to partially compensate tenants for losses which can arise.
- 1.3 All claims will be acknowledged in line with the Customer Care Policy.
- 1.4 If the claim arises as a result of a complaint, the claim will be addressed as part of the complaint process.
- 1.5 This policy does not deal with compensation claims for public liability or claims where awards are anticipated to be over £1000. These claims will be referred directly to the group's insurers. In these instances, customers will be advised that their claim for compensation will be dealt with through this route and the timescales in this policy will not apply.

### 2. Policy statements

- 2.1 It is Bernicia's responsibility to insure the properties we let and the tenants' responsibility to insure the content of their homes. The group encourages and advises all of its tenants to ensure that they take out adequate domestic content's insurance. Most policies in this category will provide some form of reimbursement for accidental damage resulting from fire and flood. It is not the group's intention to provide compensation for those persons who have not obtained such suitable insurance cover.
  - 2.1.1 Compensation will be considered in the following circumstances;
    - Major improvements
    - Programmed Works
    - General Repairs – Damage to decoration
    - Loss of Services
    - Where a complaint is upheld
  - 2.1.2 Where appropriate, an assessment of damage will be carried out and recorded by the relevant Team Leader/Manager, who, subject to approval by the

Assistant Director (Care & Support) or relevant Head of Service can grant compensation.

2.1.3 Where tenants' rent accounts are not up to date or owe the group any other monies, the group reserves the right to credit any monies due to offset such debts.

## 2.2 **Statutory Provision**

### 2.2.1 Right to Repair Scheme

Bernicia will comply with the Right to Repair Scheme. Where the group has failed its duty to have a qualifying repair carried out within the specified time and after a further request from the tenant fails to complete the works within the second specified period, the tenant shall be paid compensation by the group. A qualifying repair is one which does not cost more than £250 and which, if not carried out within the specified period, is likely to jeopardise the health, safety or security of the tenant.

2.2.2 Where the group fails to undertake the repair requested under the procedure and the tenant has allowed reasonable access to the property, the tenant shall be entitled to compensation of £10, plus £2 per day (up to a maximum of £50).

2.2.3 In addition to these rights there is also the Right to Compensation for Improvements. This is detailed in the Compensation for Improvements Policy.

## 2.3 **How compensation will be calculated**

2.3.1 The Group will calculate compensation based on the circumstances of each case. It will be paid at Bernicia's absolute discretion and will only be paid if the customer has been substantially inconvenienced or has incurred specific financial loss as a result of action or inaction by Bernicia.

2.3.2 When compensation is being considered the following levels of authorisation must be used;

- Team Leader/Manager - Up to £200
- Head of Service - Up to £500
- Directors - Up to £1000

2.3.3 If an applicant should disagree with the level of compensation offered, they may make an appeal in writing (a member of staff can assist with this where necessary), asking for the level of compensation to be reviewed. Applicants

should give clear reasons as to why they disagree with the level of compensation offered. Third parties may make the appeal on behalf of the applicant and additional supporting information may be submitted.

- 2.3.4 Bernicia will respond to any appeals within 14 days. Appeals will be reviewed by the Assistant Director (Care & Support) or the relevant Head of Service.

### **3. Responsibility for implementation**

- 3.1 It is the responsibility of the Director of Housing Services to ensure that this policy is used fairly to compensate tenants, where appropriate, as outlined in the guidance set down in this policy.

### **4. Actioning the policy**

- 4.1 The policy will be actioned whenever a tenant makes a compensation request.
- 4.2 In all instances of compensation payments being required, staff should consult this policy.
- 4.3 Compensation should not be paid in levels that differ from this policy, unless the relevant Board agrees to it.

### **5. Monitoring the policy**

- 5.1 A record of all compensation payments made will be kept across the group to ensure that the policy is consistently applied.

### **6. Resources**

- 6.1 There is likely to be a direct impact on resources as a result of this policy being implemented, as the policy details the amounts of money that are considered appropriate compensation for tenants to be awarded.
- 6.2 A budget should be set aside in order to pay compensation from to ensure that this policy does not have an adverse impact on resources.

## 7. Equality and Diversity

7.1 A risk assessment has been conducted and it has been found that there are no adverse effects of this policy on any group

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