Policy name:	
Customer Compensation Policy	
Section:	Housing
Exec responsible:	CEO
Review by:	Director of Housing
Tenant review:	No
Authority to amend:	CEO
Frequency of review:	3 years
Last review:	February 2025
Next review:	February 2028
Responsibility for delivery:	Director of Housing
Strategy:	Customer strategy
Associated risk ID:	Risk 4 Loss of key stakeholder support and reputation (poor response to complaints leading to adverse publicity) Risk 5 Data quality and data management is not sufficient to support the business (inaccurate recording of complaints data is a risk), Risk 8 Inadequate and ineffective customer service and/or engagement Risk 10 Poor stock condition adversely impacts customer satisfaction and costs
Health & safety:	No direct impact
Equality & diversity:	Equality factors to be taken into account when assessing the customer impact elements of compensation claims. This should take into account the diverse needs and circumstances of residents.
Associated costs and value for money:	Finance required for compensation payments.
Associated documents:	Customer complaints and feedback policy Ombudsman complaint handling code

VERSION CONTROL			
Version number:	**Sections amended:**	**Date of update:**	**Approved by:**
2.0	Full review	Feb 2025	CEO

CONTENT:

---

1. WHEN WE WILL PROVIDE COMPENSATION

Where we have failed in providing a service, our aim in resolving the situation will be to restore a customer to the position they would have been in had we delivered the service.

There could be many solutions to putting a situation right but in some instances financial compensation might be the only appropriate route. This policy explains our approach to compensation where we haven't got things right, it also covers other types of compensation.

There are four types of compensation, and these are covered in more detail later in this policy:

- mandatory payments (required by law, such as home loss payments)
- quantifiable loss payments (where customers can demonstrate actual loss)
- discretionary resolutions (for time and trouble/distress and inconvenience)
- home improvement payments (where a customer has improved their home)

2. WHEN COMPENSATION WILL NOT BE CONSIDERED

Compensation will not be considered in the following circumstances:

- claims for personal injury
- claims for damage caused by circumstances beyond our control (e.g. through storm)
- problems caused by a third party not working for us or on our behalf
- where damage or loss is covered, or should be covered, under contents insurance
- where the issue has occurred through any unreasonable action or inaction of the customer, their household or visitors.

3. MANDATORY PAYMENTS

We will provide the following compensation payments:

Home loss payment
Where a customer has been permanently displaced from their home because we intend to demolish, improve or redevelop it. Specific conditions and amounts are set out in law.

Disturbance payment
To cover reasonable expenses in moving from their home where a customer has been permanently displaced. Specific conditions are set out in law.

4. QUANTIFIABLE LOSS PAYMENTS

We will provide compensation in the following circumstances:

- increased heating bills due to disrepair that hasn't been resolved within our target timescales
- paying for alternative accommodation or take away food because the customer is not able to stay in their home
- paying for cleaning or carrying out repairs where we have failed to meet our obligations.

All of the above must be reasonably incurred and the customer must provide evidence of the loss. Other circumstances may occur and will be dealt with on a case-by-case basis.

5. DISCRETIONARY RESOLUTIONS

Discretionary resolutions will be used to recognise where we could have done better. Examples of where a discretionary resolution may be used include:

- 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 e.g. cooking facilities
- 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
- poor complaint handling
- detriment or damage caused to an individual or their property and belongings by a third party (contractor) working on our behalf.

The resolutions could be one of the following:

- practical actions (such as offering to undertake repairs or redecoration normally the customers responsibility)
- gestures of good will (such as vouchers or flowers)
- a financial payment

6. COMPENSATION FOR IMPROVEMENTS

Customers with a contractual right to compensation for improvements may be eligible to make a claim against this policy. These are the conditions for payment:

- the improvement must be a qualifying improvement; the table below details this along with the expected life of the improvement and maximum amounts payable
- the customer must supply a minimum of two quotes for the work from professionally qualified contractors with clear plans of what work is intended
- the customer must get our written consent in advance of the work starting
- the customer must notify us upon completion of the works and allow an inspection; we will then confirm in writing if we accept the work as a ‘qualifying improvement’
- compensation will only be paid when the tenancy has ended, and the property is left vacant
- compensation amounts will be based on the cheapest of the two quotes received at the time of the work, depreciation will be considered, maximum amounts payable are detailed in the table below
- compensation is not payable if the tenancy ends as a result of legal action by Cornerstone
- compensation payments will be offset against any monies owed to Cornerstone
- compensation is not payable where the customer is exercising a Right to Acquire or Buy the home.

Qualifying improvement	**Expected life**	**Compensation maximum amount**
Replacement bathroom suite	12 years	£3500
Full kitchen replacement	10 years	£5000

7. HOW COMPENSATION WILL BE CALCULATED (excluding Home Loss)

We aim for compensation payments to be fair and proportionate, taking into account the individual circumstances of the customer and the detriment, disrepair, loss or damage caused. Each case will be considered on its own merits, and we will apply discretion and common sense.

To ensure some consistency, we will offer set compensation in the following circumstances where we have failed to provide the service set out in our published timescales:

Service failure	Amount of compensation
Missed appointment to complete a repair	£30
Loss of a room	20% of daily rent per day
Complete/partial loss of heating in winter months	20% for complete loss 5% for partial loss of daily rent per day
Complete/partial loss of hot water	20% for complete loss 5% for partial loss of daily rent per day
Complete/partial loss of power/lighting	20% for complete loss 5% for partial loss of daily rent per day

In other circumstances, we will categorise the compensation based on the severity of the issue and the associated impact on the customer:

	Description	Compensation
Severe	Where the duration of the issue has been excessively long and/or where the impact on the customer has been exceptional.	Up to a maximum of £500*
Moderate	Where the duration of the issue has been medium to long term and/or where the impact on the customer is likely to have caused unreasonable distress or disturbance.	Up to a maximum of £250
Minor	Where the duration of the issue has been short-term and/or where the impact on the customer has been minimal.	Up to a maximum of £50

When considering the extent of the impact on customers and their household, we will consider their diverse needs and any health conditions or vulnerabilities that may be present. For example, if the impact on them is worsened due to disabilities, health conditions, age, or the presence of young children.

Here is an example in relation to a damp and mould case:

	Description	Compensation
Severe	A customer reported damp and mould, which took an excessively long time to investigate and resolve. The mould was in multiple rooms, and the	Up to a maximum of £500*

	household had vulnerabilities, including a health condition related to their breathing, which meant the mould put them at increased health risks and caused an exceptional amount of distress. The resident was decanted while repairs were carried out.	
Moderate	A customer reported damp and mould, which took a medium to long time to investigate and resolve. The mould was in one of the bedrooms and caused anxiety and disturbance for the resident, who had to clean the mould for a long time before the issue was resolved.	Up to a maximum of £250
Minor	A customer reported damp and mould in their bathroom. It took a short time to investigate but it required a new extractor fan which took some time to fit. The resident was required to clean the mould whilst waiting for the fan to be fitted which was an additional disturbance to them.	Up to a maximum of £50

*There may be circumstances where we agree to additional compensation based on the individual circumstances of the resident(s) affected and the issue being reported. For example, there may be a legal disrepair claim, significant property defect, or substantially poor service.

In the event of a potential claim from multiple claimants that is not adequately met by this policy, the Board may agree on additional guidance, including criteria and higher levels of compensation.

8. HOW TO CLAIM COMPENSATION

Compensation may be discussed and agreed as part of our complaints process, or where we accept that we have failed in providing a service to the customer.

Where damage has been caused directly as a result of our actions or omissions, or by a contractor working on our behalf, we will consider reimbursement without the need for the customer to make a claim, especially where the facts are not in dispute.

Statutory home loss and disturbance payments will be offered with no requirement for the customer to make a claim.

In all other cases, customers can make a claim for compensation by using any form of communication that we normally use.

9. TIMESCALES FOR COMPENSATION CLAIMS & APPEALS

The table below shows the timescales involved in the compensation claims process:

Compensation stage	Timescale
Customer claims for compensation	Must be made within 30 days of the issue arising
Cornerstone offer compensation	In line with our complaints process
Customer appeal of compensation decision made	Must be made within 20 days of the decision
Customer acceptance of offer of compensation	Must be accepted with 20 days of the decision
Cornerstone response to appeal of compensation decision made	Within 20 days of the receipt of the appeal
Payment to customer	Within 10 days of the offer acceptance

When making an offer of compensation we will agree with the customer how the compensation will be paid, this will be in a method to suit them. Where the customer owes Cornerstone a debt any compensation amount will be offset against that debt. The debt could include rent arrears, court costs or rechargeable repair debts.

Where a customer appeals the level of compensation offered, that appeal will normally be dealt with by a manager or director who has not previously been involved in the compensation decision.

10. HOW WE WILL DEAL WITH COMPENSATION CLAIMS

Our staff should feel empowered to resolve customers' issues as early as possible in the process, and we support them in using their own discretion. This is good customer care and can prevent unnecessary escalation. Any member of staff can provide goodwill gestures, such as flowers, without the need for a customer to make a claim for compensation.

Where we have got things wrong or not provided the required level of service any offer of compensation will be accompanied by:

- an apology to the customer
- an explanation as to how the failures in service occurred
- a demonstration of learning and a commitment to making service improvements.

This table sets out the level of authority for our staff in dealing with compensation claims:

Staff level	Authority level
All staff	• Goodwill gestures such as vouchers or flowers up to the value of £50* • Practical actions (such as offering to undertake repairs or redecoration normally the customers responsibility) up to the value of £50* • Quantifiable losses up to £50 • Set service failure compensations up to £50 • Discretionary <u>minor</u> financial compensation up to £50 • Where several customers are affected by an issue the matter should be escalated to an appropriate level based on the total compensation expected.
All managers	• Goodwill gestures such as vouchers or flowers up to the value of £50 • Practical actions (such as offering to undertake repairs or redecoration normally the customers responsibility) up to the value of £250 • Quantifiable losses up to £250 • Set service failure compensations up to £250 • Discretionary <u>moderate</u> financial compensation up to £250
Directors	• Goodwill gestures such as vouchers or flowers up to the value of £50 • Practical actions (such as offering to undertake repairs or redecoration normally the customers responsibility). • Quantifiable losses up to £1,000 • Set service failure compensations up to £1,000 • Discretionary <u>severe</u> financial compensation up to £1,000
Chief Executive/ Director of Finance and Resources	• All of the above plus any other extraordinary compensation claims over the value of £1,000. • Statutory Home Loss and Disturbance Payments