



# Compensation and Goodwill Gesture Policy

March 2024



## Policy summary

We aim to provide an excellent service, but recognise that sometimes we don't meet these standards. If we fail to meet the level of service set out in our published standards, we'll apologise and aim to put things right. At times this may involve paying compensation to you or making a goodwill gesture.

We have a flexible approach to considering different solutions. This can include practical actions (such as offering to undertake repairs or redecoration that would otherwise be your responsibility) and other gestures of goodwill (e.g. vouchers). This also may include providing financial compensation.

We will always calculate compensation and goodwill gestures based on what is considered fair, taking into account the impact the situation has had based on your individual circumstances. This policy sets out how we calculate the compensation required by law as well as the factors we'll consider when offering goodwill gestures.

If you believe you have a claim for compensation you should contact us to discuss this by calling 020 7424 7370 or emailing [contact@arhag.co.uk](mailto:contact@arhag.co.uk) You can also contact us through our website [www.arhag.co.uk](http://www.arhag.co.uk) or via social media.

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## 1. Policy purpose

- 1.1 We aim to provide an excellent service to all our residents, but we recognise that sometimes we don't meet these standards. If we fail to meet the level of service set out in our published standards, we'll apologise, put things right and learn from what went wrong to improve how we deliver our services. At times this may involve paying compensation to you or making a goodwill gesture.
- 1.2 We will meet our legal obligations relating to the payment of compensation and will deal fairly, consistently and effectively with goodwill gestures. This policy outlines our approach, providing guidance on when compensation and goodwill gestures will be paid and how an amount is determined, considering each circumstance.

## 2. Policy scope

- 2.1 This policy applies to all areas of our business, including work carried out by contractors on our behalf.
- 2.2 For the purpose of this policy we have the following definitions:  
  
Compensation: mandatory compensation payments that are required by law;  
  
Goodwill gesture: applies if we've made an error or provided an unsatisfactory service. This can include a practical action (such as offering to undertake repairs or redecoration that would otherwise be your responsibility) or other gestures of goodwill (e.g. vouchers). This also may include providing financial compensation on occasions where it is considered appropriate.
- 2.3 This policy does not cover:
  - insurance claims relating to financial loss, damage to third-party property or personal injury, as a result of negligence. This will be dealt with in accordance with our insurance procedures;
  - claims for damage caused by circumstances beyond our control (e.g. through a storm or flooding). We always tell residents when their tenancy starts

to make sure they have appropriate contents insurance in place to cover the contents of their home for events such as this;

- problems caused by a third party working for someone other than AHA (e.g. a utility supplier);
- problems due to wilful neglect or damage caused by the resident or their visitors;
- the behaviour of other residents, for example, anti-social behaviour;
- loss of earnings or annual leave;
- failure of the resident to tell us about problems in the home in reasonable time if they were aware of the issue (e.g. the presence of a leak);
- failure of the resident to comply with their Tenancy Agreement (e.g. not providing us with access to carry out repairs, or causing damage by carrying out unauthorised alterations);
- claims subject to a tribunal or legal proceedings.

2.4 Further details of the regulatory and policy context are set out in Appendix 1.

### **3. Compensation required by law**

#### **3.1 Statutory home loss payment**

3.1.1 Home loss payments may be paid when an occupant must move permanently from their home to make way for demolition and/or development. It's designed to compensate people for the distress and inconvenience of having to move home at the request of AHA.

3.1.2 This is a flat rate payment, set by Government, and will only be paid if you've lived in your home for a minimum of 12 months and you have a legal and/or qualifying interest in the property (i.e. you are an Assured Tenant or a Secure Tenant). Home loss payments will be paid in line with the amount set out in the [Home Loss Payments \(Prescribed Amounts\) \(England\) Regulations](#).

3.1.3 If you're a leaseholder with at least three years of your lease unexpired you will receive 10% of your share of your property (within a minimum and a maximum amount set out in the Home Loss Payments (Prescribed Amounts) (England) Regulations) as a home loss payment. This payment is in addition to the market value of the home.

3.1.4 You should make your claim for your statutory home loss payment as soon as possible after your move. However, you can claim your statutory home loss

payment any time within six years of the move. We will advise residents how to claim if they are entitled to make a claim.

- 3.1.5 We will make the payment to you by the date you have to move or within three months of receiving your claim, if that is later. We will divide the payment equally between joint tenants (unless you agree and nominate one person to receive the payment).
- 3.1.6 If you're given the option to move permanently as a result of repair work but that decision is voluntary rather than compulsory, you're not entitled to a home loss payment.
- 3.1.7 If you are evicted before moving, you will not receive a home loss payment.

## **3.2 Statutory disturbance payment**

- 3.2.1 Statutory disturbance payments are designed to cover the reasonable expenses you incur because you are moving to a replacement home, whether permanent or temporary. This may be due to demolition, redevelopment or improvement work to your home. This is paid in addition to a home loss payment for a permanent move, where relevant.
- 3.2.2 To be eligible, you do not have to have lived in the property for 12 months but have to be the tenant or have a legal right to be the main occupier at the time we decide the move is taking place. The purpose of the disturbance payment is to ensure you're not financially out of pocket due to the move.
- 3.2.3 If you are eligible for a disturbance payment, we cannot limit the amount you can claim. 'Reasonable expenses' are expenses that relate strictly to the move and expenses reasonably incurred as a direct consequence of the move. We will help to arrange moves directly, organising and paying for expenses associated with the move. This would be adapted to your individual circumstances and whether the move is temporary or permanent. Appendix 2 has examples of what may be covered, but we'll understand your individual needs.
- 3.2.4 Claims should be agreed in advance with AHA and will only be paid when evidenced by receipts or bills.

3.2.5 Further details regarding this can be found in AHA's Decant Policy, which is available on request by calling 020 7424 7370.

### 3.3 Compensation for improvements

3.3.1 If your tenancy is ending and you completed qualifying improvement work to your home after 1 April 1994 you may be entitled to compensation for those improvements.

3.3.2 The amount paid takes into consideration the eligible cost of the improvement, the notional life of the item and the number of years since the improvement was carried out. The qualifying improvements and equation to determine the compensation you

may be entitled to are set out in the Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994:

<https://www.legislation.gov.uk/uksi/1994/613/made>

### 3.4 Right to repair

3.4.1 The Right to Repair Scheme enables housing association tenants to have urgent, minor repairs which affect health or safety completed quickly at no cost to them. The Scheme also enables tenants to be compensated if such repairs haven't been completed within a prescribed period.

3.4.2 The Right to Repair Scheme covers small, urgent repairs costing up to £250 that, if not carried out within a reasonable short, prescribed period of time, are likely to jeopardise your health or safety. The repairs that qualify are set out in legislation:

<https://www.legislation.gov.uk/uksi/1994/133/made>.

3.4.3 For these payments there is a standard rate of £10 plus £2 for each day the repair is overdue, up to a maximum of £50.

3.4.4 As a resident, if you need a repair you should always report this to us as soon as you are aware of it so we can attend and resolve the problem.

## 4. Goodwill gestures

### 4.1 Principles of goodwill gestures

- 4.1.1 If we've made an error or provided an unsatisfactory service we'll always apologise and try to put the matter right as a priority. We'll investigate so we understand how failures in service have occurred and learn from this to improve how we work.
- 4.1.2 In some situations, we may offer you a goodwill gesture. This could include for:
- delays in providing a service, for example, in undertaking a repair (not included in the 'Right to Repair' compensation required by law);
  - poor complaint handling;
  - failure to provide a service that has been charged for;
  - temporary loss of amenity or use of part of your home;
  - failure to meet target response times;
  - failure to follow policy and procedure;
  - unreasonable time taken to resolve a situation.
- 4.1.3 We have a flexible approach to considering different goodwill gestures. We may carry out practical actions, such as offering to carry out repairs or redecoration that would otherwise be your responsibility. This also may include providing financial compensation on occasions where it is considered appropriate. The decision about whether to provide a goodwill gesture will be made by a manager from the relevant service.
- 4.1.4 We aim to be consistent when making goodwill gestures but will consider each case based on its individual circumstances. We'll apply discretion and common sense. We will consider individual circumstances and how these may have impacted you, for example, due to any vulnerability, disability or other factor. We'll consider your feedback, understanding your desired outcome.
- 4.1.5 We'll be proactive about an offer of goodwill. This means that, rather than wait for individual claims, we'll offer goodwill gestures to residents affected by a service failure at the earliest opportunity.



- 4.1.6 We'll always explain how we've made any decision about goodwill gestures, being transparent with residents.
- 4.1.7 Offers made reflect goodwill and are not an acceptance of any legal liability.
- 4.1.8 Accepting a goodwill gesture will never be a barrier to you being able to escalate your concern through our complaints process, in line with our Complaint Handling and Resolution Policy.
- 4.1.9 If you feel you are entitled to a goodwill gesture and we haven't proactively offered this to you, you should tell us as soon as possible, ideally within 28 days of being aware of the incident. This makes investigations easier and enables a faster and more accurate decision to be made. You must tell us within one year. Outside of this timescale, we may consider claims where you provide evidence to support the reasons for the delay.
- 4.1.10 The following sections provide some examples of how we'll calculate goodwill gestures in different scenarios. However, we'll use our discretion to decide on the best remedy and may therefore set out a remedy that does not fall into one of the categories listed but is tailored to the individual circumstances.

## 4.2 Service failure

- 4.2.1 We will consider making goodwill gestures if AHA or someone working on our behalf have caused avoidable inconvenience, distress, detriment or other unfair impact to you. This may be through delivery of poor service or a lack of service provision, for example, not acknowledging or responding to a complaint within our published timescales.
- 4.2.2 All goodwill gestures will be based on what is considered fair based on the individual circumstances. Factors we may consider include:
  - the level of disruption, distress or inconvenience on you;
  - the duration of any avoidable distress or inconvenience;
  - actions by AHA, you or a third party which either mitigated or contributed to any loss, distress, inconvenience or unfair impact;
  - the level of communication we've had with you;
  - any disabilities or vulnerabilities, such as old age, health concerns or the presence of young children, that may have meant you were more adversely affected;

- any other circumstances that meant that the situation was more detrimental to you, such as the financial impact and time of year;
- any financial loss;
- the level of rent or service charges that you pay;
- what is proportionate, considering the levels of goodwill gesture for similar cases paid previously.

4.2.3 We don't set limits on the amount of goodwill gesture that we'll make, but will use the following matrix to guide us about the level of payment.

| <b>Service failure</b>  | <b>High level service failure</b>  | <b>Very high level service failure</b>   |
|---|--|--|
| <b>Up to £100</b>   | <b>£100–£500</b>   | <b>Over £500</b>   |
| This has led to disruption, distress or inconvenience for a short duration of time. | This has led to a high level of disruption, distress or inconvenience over an extended length of time. The impact on the person isn't permanent. | There have been numerous missed opportunities to resolve the problem. This has caused a significant level of disruption, distress or inconvenience to the resident over an extended period of time. This has caused a severe impact on the person. |

4.2.4 We won't reimburse you for your time off work, loss of wages or loss of employment. Whilst some work we do will inevitably cause some inconvenience, Tenancy Agreements require residents to provide access for visits such as repairs to be carried out as needed. However, there may be circumstances when we make a goodwill gesture to recognise inconvenience caused, for example where repairs appointments are repeatedly missed or we fail to resolve the repair issue.

### 4.3 Missed appointments

4.3.1 If AHA or someone working on our behalf is not able to keep to an agreed appointment we'll give you £15 as a goodwill gesture to apologise for the inconvenience this has caused.

## 4.4 Service charge service failure

- 4.4.1 If you pay a service charge for a service and you don't receive that service we'll always try to put this right as soon as we're aware. If you experience a lack of service for more than one week, you're entitled to receive a goodwill gesture.
- 4.4.2 The amount paid will be equal to the amount you have been charged during this period for the service that you've not received.
- 4.4.3 We'll not award a payment if we have made reasonable alternative arrangements to cover the service or if the charge is under £5 in total.

## 4.5 Loss of amenity or loss of use of a room

- 4.5.1 If you have lost access to an amenity (such as heating or water) or use of a room, we'll always try to fix this in line with our repairs timescales. If we can't do this, we'll ensure alternative arrangements are in place, for example, by providing temporary solutions (e.g. fan heaters to keep you warm) or moving you temporarily to a different home (view our Decant Policy for further information). However, if we don't do this and you remain without an amenity or a room, we'll pay a goodwill gesture to compensate you, in line with the following table.

| Loss of an amenity or room (where it is AHA's responsibility)  | Goodwill gesture equivalent to percentage of daily rent | Timescale after which goodwill gesture payment is applicable |
|--|---|--|
| A complete loss of electricity or gas supply to your home  | 100%  | 24 hours   |
| A complete loss of heating between October and March if we've not offered to provide any temporary alternative heating (see 4.4.3) | 100%  | 48 hours   |

|   |      |                 |
|---|------|-----------------|
| A complete loss of mains water  | 100% | 24 hours        |
| A complete loss of hot water  | 20%  | 72 hours        |
| Lack of toilets, if all toilets in the home are completely unusable           | 100% | 24 hours        |
| All bathroom facilities out of use and no other bathroom facilities available | 50%  | 48 hours        |
| Kitchen out of use and no alternative temporary arrangements are provided     | 50%  | 48 hours        |
| Living room out of use  | 20%  | 10 working days |
| Bedroom out of use (per bedroom)  | 20%  | 10 working days |

- 4.5.2 In these circumstances, we will determine 'loss of a room' on a case-by-case basis, considering the circumstances, the impact on the household and what is reasonable.
- 4.5.3 We will consider each situation on a case-by-case basis to determine which of the rooms and amenities aren't available (if more than one), and use this to calculate the total goodwill gesture. If more than one amenity or room isn't available, the maximum goodwill gesture that we'll pay is an amount equivalent to 100% of your rent for the period of time that you were without the amenity or room.
- 4.5.4 For the purpose of this section of the policy, rent is the amount you are charged to live in your home. It does not include service charges. See section 4.3 for more detail about service failure where you have paid a service charge.
- 4.5.5 If you are moved temporarily to alternative accommodation due to the loss of an amenity or room, this type of goodwill gesture won't apply (view section 3.2 about Statutory Disturbance Payment).
- 4.5.6 If you're a homeowner, we won't compensate you for loss of rooms or amenities as you're responsible for repairs in your home under the terms of your lease. However, you may still be entitled to a goodwill gesture if we've not provided a good service, in line with this policy.

- 4.5.7 If we've provided you with temporary heaters, after 24 hours you will be eligible for £5 per day per temporary electric heater left with you to cover the running cost. This goodwill gesture is limited to two heaters for up to two-bedroom properties, and a further heater per extra bedroom up to a maximum of five heaters.
- 4.5.8 If we've provided you with dehumidifiers following a leak, we'll give you £2 per day per dehumidifier left with you to cover the running costs.

## 4.6 Loss of or damage to possessions

- 4.6.1 This policy does not cover compensation for items covered by a resident's contents insurance. We always tell our residents to make sure they have appropriate contents insurance in place to cover the contents of their home and any outbuildings.
- 4.6.2 If you contact us to tell us of damage to your belongings where you believe AHA has acted negligently or to report ill health pertaining to an incident, we will usually refer the matter to our insurer to consider and determine the claim. We'll provide you with information about how to do this.
- 4.6.3 We may consider claims if damage has been caused directly by the actions or omissions of AHA or our contractors, without you having to claim through your own insurers.

## 4.7 Defects in new homes

- 4.7.1 We will not pay a goodwill gesture directly relating to defects in new-build properties (for example, if faulty items such as lighting or doors need to be replaced).
- 4.7.2 However, we may offer a goodwill gesture if the length of time to resolve the defect is excessive. We may also offer a goodwill gesture if you experience service failure in the rectification of defects (such as failure to attend agreed appointments) or if the defect has caused additional damage or hardship, in line with this policy.

## 5. Payments

5.1 Compensation and goodwill gestures may take the following forms:

- rent or service charge account credit;
- a gift voucher;
- bank transfer.

5.2 Before payments are made, we'll check to see whether there are existing debts owed to us by you. We will partly or fully offset a compensation payment or award against any such debt. Any remaining money will be paid to you. This does not apply to reimbursements for out-of-pocket expenses, which we'll pay directly to you if you would prefer. This also doesn't apply where we're legally obliged to make a payment, such as a statutory Home Loss or Disturbance payment.

5.3 Compensation offers or goodwill gestures will not usually be made until all outstanding works have been resolved. This does not apply to reimbursements for out-of-pocket expenses, which we'll pay as you accrue the expense (for example, use of a temporary heater or dehumidifier).

5.4 To ensure transparency, two separate employees will raise and approve any payment of goodwill gesture or compensation in line with our Standing Orders.

5.5 Residents have four weeks to confirm acceptance of compensation or a goodwill gesture. If you accept our offer for compensation or a goodwill gesture, further claims cannot be sought relating to that matter at a later date.

## 6. Claims relating to third parties

6.1 Some claims may relate to a third party who has carried out work on our behalf (such as a contractor or developer). If this is the case, we will remain responsible for agreeing an appropriate level of compensation or goodwill gesture. We will ensure payment is made to you either directly or via the third party within a timeframe consistent with this policy.

6.2 We will seek reimbursement for all payments made on behalf of a third party in accordance with contractual arrangements.

## **7. Appeals**

- 7.1 If you are unhappy about the level of goodwill gesture or compensation awarded, or not awarded, you can appeal this through our Complaint Handling and Resolution Policy. You can find more information about this on our website or by calling us or emailing [contact@arhag.co.uk](mailto:contact@arhag.co.uk).

## **8. Equalities considerations**

- 8.1 We will take account for individual circumstances and will consider how impacts could have been worsened when making decisions around compensation or goodwill gestures. For example, due to time of year, through disability, age or the presence of young children.

## **9. Policy consultation, approval and review**

- 9.1 Residents have been contacted in the development of this policy.
- 9.2 This policy will be reviewed every year, or as legislation changes.

## Appendix 1: Policy context

|                             |  |
|-----------------------------|--|
| <b>Regulatory Standards</b> | <p>This policy supports the <a href="#">Regulatory Standards</a>, which registered providers of social housing must meet.</p>  |
| <b>Legislation</b>          | <p>The Housing Ombudsman expects social landlords to have a compensation policy which provides guidance on when it will consider offering compensation or a goodwill gesture.</p> <p>This policy supports the following legislation:</p> <ul style="list-style-type: none"> <li>• Data Protection Act 2018;</li> <li>• Equality Act 2010;</li> <li>• Land Compensation Act 1973;</li> <li>• Right to Compensation for Improvements contained within part 1 of the Landlord and Tenant Act 1972;</li> <li>• Right to Repair provisions contained within section 121 of the Leasehold Reform, Housing and Urban Development Act 1993;</li> <li>• The Housing Act 1985 and 1988 as amended;</li> <li>• The Home Loss Payment (Prescribed Amounts) (England) Regulations.</li> </ul> |
| <b>Related policies</b>     | <p>This policy is linked to the following policies:</p> <ul style="list-style-type: none"> <li>• Complaints Handling and Resolution Policy;</li> <li>• Decant Policy;</li> <li>• Permission for Improvements and Alterations Policy;</li> <li>• Repairs Policy.</li> </ul>   |
| <b>Related documents</b>    | <p>This policy is linked to the following documents:</p> <ul style="list-style-type: none"> <li>• Tenancy Agreement.</li> </ul>  |



## Appendix 2: Statutory disturbance payment

### Temporary moves

For temporary moves, examples of expenses disturbance payments may cover include:

|                     | Examples of payments   |
|---------------------|--|
| <b>Travel</b>       | Additional mileage because of the location of your temporary accommodation (mileage is based on the National Joint Council (NJC) casual car users allowance) |
|                     | Additional public transport costs  |
|                     | Taxi fares for getting children to school, if public transport isn't available   |
| <b>Facilities</b>   | Laundry costs  |
|                     | Alternative housing for pets   |
|                     | Meals (the level of compensation will depend on whether you're in hotel accommodation or other accommodation)  |
| <b>In your home</b> | Decorating   |
|                     | Curtains and/or blinds, where relevant   |
|                     | Replacement flooring/carpeting   |
| <b>Moving costs</b> | Redirection of mail for up to three months   |
|                     | Disconnection and re-connection of appliances and utilities  |
|                     | Removals   |
|                     | Storage of items not able to be taken to the temporary home  |

### Permanent moves

For permanent moves, examples of expenses disturbance payments may cover include:

|                         | <b>Examples of payments</b>  |
|-------------------------|--|
| <b>In your new home</b> | Replacement flooring/carpeting (including adjustment and re-fitting of existing carpets) |
|                         | Replacement curtains and/or blinds, where relevant                                       |
|                         | Decorating   |
| <b>Other costs</b>      | Redirection of mail for up to three months   |
|                         | Disconnection and re-connection of appliances and utilities                              |
|                         | Removals   |
|                         | School uniforms if children need to change schools                                       |

## Compensation and Goodwill Gesture Policy

**Responsible Person/Policy Owner:** Head of Housing

**Authored and Reviewed by:** CEO & Service Improvement Manager

**Approved by:** Senior Management Team

**Updated:** March 2024

**Next Review:** March 2025