



improving housing through partnership

HFI Policy

Refund, Compensation and Remedies

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1.0 Introduction

- 1.1 Homes For Islington (HFI) will make refund and compensation payments to residents who have been affected by failures to meet reasonable levels of service delivery. Awards will be made in accordance with the conditions outlined within this policy where residents experience financial loss or severe inconvenience due to the failure of a service or due to HFI's poor performance.
- 1.2 This document provides a summary of HFI's policy regarding refund and compensation payments. The policy sets out some of the statutory payments as well as HFI's payment schemes and ex-gratia payments, and should be read in conjunction with HFI's Compensation Procedures and Guidelines.

2.0 Scope

- 2.1 This policy covers situations in which HFI will consider making refund or compensation payments to its tenants and, where appropriate, to leaseholders and licensees residing in temporary accommodation.
- 2.2 This policy does not cover instances where non HFI residents wish to make claims against Homes for Islington for damages etc. In such instances, the [Insurance Policy and Procedures](#) should be followed.
- 2.3 Whilst various HFI staff are responsible for following this policy and procedure, the main role for administering the policy lies with Customer Services Managers in area housing offices.

3.0 Definitions

- 3.1 **Residents:** means tenants and leaseholders; however, for clarification where the reference to tenant is made in the policy this means eligibility is restricted to tenants only and that leaseholders are not eligible for refunds/compensation under the specific scheme.
- 3.2 A **refund** is money that HFI will pay to residents for services that are included in their weekly, monthly or service charges and that have already been paid, for example, heating charges. Refunds are normally paid where there has been a loss of amenities for 3 consecutive days or more. The refund amount will be linked to the actual service charge billed at the time when the failure of service actually occurred.
- 3.3 **Compensation** payments are awarded in recognition of the inconvenience caused to residents. Payments are set out as detailed under HFI's payments schemes and normally paid where there has been a loss of service for 4 consecutive weeks or more. They are different from payments that are awarded on a discretionary (ex gratia) basis for complaints that HFI are not necessarily liable for but where we wish to resolve a problem to the satisfaction of the resident in order to prevent an escalation of a problem.

4.0 Legal Framework

- 4.1 There is no legal requirement to pay compensation to residents. It is, however, good practice and in line with government policy on customer's rights to provide compensation when services fail to meet standards. The main area of law related this policy is:
- Land Compensation Act 1973
- as it relates to the statutory payment at item 8.1 of this document.

5.0 Equality & Diversity

- 5.1 HFI is committed to promoting equality and diversity among our residents and staff regardless of disability, race, colour, nationality, gender, sexuality, age, religion or other belief.

In meeting the aims of this policy HFI will provide information that is accessible and available in appropriate formats including interpretation and translation services, large print and audio formats.

6.0 Health & Safety

- 6.1 HFI recognises its responsibility for ensuring the health and safety of all its employees and will endeavour to meet its legal obligations under the Health and Safety at Work etc Act 1974 and any other relevant legislation. Equally, HFI expects all staff to take responsibility for their own safety and for the safety of everyone that they work with and for.

Due to the nature of the task HFI deems that the level of risk that staff could potentially be exposed to with regards to implementing this policy and procedure is **low**. However, staff must, at all times, ensure procedures are carefully followed in order to minimise risk to themselves and others.

7.0 Policy Aims and Commitments

7.1 We aim to implement this policy consistently by managing our resources effectively in order to ensure fairness and value for money.

We aim to maintain impartiality in dealing with complaints, requests or claims for refunds or compensation.

We aim to improve service standards in order to minimise the number of occasions that customers complain, request or claim refunds or compensation.

We aim to be customer focused to ensure that delays are minimised and customer satisfaction becomes an achievable outcome.

7.2 To achieve these aims HFI will:

- Learn from the situations when we have paid compensation and take steps to reduce the risk of them happening again
- Ensure the size of payments are kept to fair and reasonable levels
- Offer other sources of redress when appropriate (see remedies at item 7.3)
- Provide training to relevant staff in carrying out this policy and related procedures
- Record details of the types of claims so that we can identify service areas where improvements are needed

7.3 Before financial awards are approved consideration will be given to a range of remedies that may be appropriate. The Local Government Ombudsman states that: "The remedy needs to be appropriate to the complaint. It is good practice to consult with the complainant to find out how they would like things put right". The following list is not exhaustive, but 'putting things right' could include:

- an apology
- an explanation giving a full answer to all points raised in the complaint
- an assurance that every effort will be made to ensure the same thing does not happen again. This must be matched by action and monitoring of the complaint
- action taken to put things right – demonstrable action to show that complaint has been taken seriously
- a review of policies and procedures
- staff guidance or training

- appropriate disciplinary action
 - financial compensation
- 7.4 Most refund or compensation payments will be credited directly to the rent or service charge account. Where any credit remains on the rent or service charge account these can be refund to the resident following the standard process.
- 7.5 Awards for ex-gratia compensation are made at the discretion of the Head of Service (Operations) or the Area Housing Manager.
- 7.6 In calculating awards for compensation HFI will endeavour to follow the suggested guidelines of the Ombudsman Service; however, where appropriate, legal advice will be sought.
- 7.7 Other than in exceptional circumstances, claims for compensation will only be accepted within six months of the problem occurring.
- 7.8 All refund and compensation payments will be approved using the calculations outlined in the [Refund, Compensation and Remedies Procedure](#).
- 7.9 Where HFI becomes aware of a service failure it will instigate this policy without the need for the resident to make an individual claim.
- 7.10 Where a service that is provided to a number of residents fails e.g. a block with communal heating, and compensation is deemed applicable, HFI will pay all residents affected irrespective of whether they have made a complaint or not.
- 7.11 Payments will not be made for delays that are caused by residents failing to provide access.

8.0 Statutory and HFI Payment Schemes

This section looks at both statutory and discretionary payments schemes. The statutory scheme that has been included is Home Loss and HFI Payment Schemes cover situations where either refunds or compensation may be payable.

8.1 Home Loss

HFI will make Home Loss payments in accordance with the statutory levels set under the Land Compensation Act 1973. Payments are made where a resident is moved on a permanent basis due improvement or redevelopment of their home. The changes must have the result it is unsuitable for the resident to return to their property eg due to demolition, compulsory purchase or where remodelling changes the size of the accommodation. However payments are not intended to cover the costs associated with moving home (see disturbance grants

below). The current statutory Home Loss payment is £4,700. To be eligible for a current payment a resident must have resided in their current property for at least 12 months and must have been displaced on or after 1st September 2008.

8.2 HFI Payments Schemes

The following outlines refund and compensation payments for a range of errors that are not covered under the statutory payments schemes:

8.2.1 Disturbance Grants

Under the Housing Act 1985 (Part II, Section 26) HFI has discretion to give financial assistance towards tenants' removal expenses. HFI will award disturbance grants in the following circumstances:

- When a resident moves from their property to enable major works to be carried out
- When a resident returns to their former property after major works are completed
- In other circumstances where the tenant is permanently displaced

In the event that a resident has to be moved temporarily or permanently in order, for example, for HFI to carry out repairs to their main property HFI will make reimbursements for:

- The cost of disconnection and reconnection of plumbing, gas, electricity or telephone supplies
- Cost of carpets and curtains up to a maximum of £300.00
- Cost of removals up to a maximum of £450.00
- Redirection of mail for 3 months

In exceptional circumstances it may be possible to make additional payments to residents who have to move permanently. The additional amount is awarded on a discretionary basis by an Area Housing Manager or Head of Service (Operations), depending on the circumstances of the individual case.

8.2.2 Uninhabitable Rooms

Compensation is calculated using gross rent and is payable where any room is unavailable for use for 4 weeks or more as a result of HFI failing to take reasonable steps to carry out repairs. Compensation is not payable in cases where repairs cannot reasonably be completed within 4 weeks due to the nature of works required.

8.2.3 Disrepair

Where appropriate compensation payments for disrepair will be made in accordance with the amounts that the courts consider reasonable. HFI staff will seek advice from the Senior Legal Repairs Solicitors when dealing with requests and claims for disrepair or severe inconvenience due to major works.

8.2.4 Lift failure

Compensation is payable where the lift is unavailable in the following circumstances:

- Tenant living above the fourth floor
- There is no access to another lift in the same block
- The lift has been out of service for more than 5 consecutive days

Compensation will not, however, be paid if a lift is unavailable due to vandalism or because of a planned renewal programme.

Compensation of £1.00 per day will be paid for each day that the lift is unavailable after more than five days failure.

Ex-gratia payments may be made to tenants who are adversely affected by lift failure who live below the fourth floor; however, tenants living on the ground floor are not eligible to receive compensation for lift failures.

8.2.5 Missed Appointments

Where Kier Islington miss the following types of pre-arranged appointments, and subject to certain criteria, as outlined in the Responsive Repairs Policy being met, automatic payments of £15.00 will be made:

- Day to day repairs appointments
- Gas servicing appointments
- Gas reactive appointments

HFI will make automatic payments of £15.00 where an appointment with a resident has not been kept or re-arranged within 48 hours, as set out in the [Missed Appointments Procedure](#).

8.2.6 Major Works

Major works are those that come under HFI's Capital programme. Compensation payments for major works are approved where one of the following occurs:

Payments are awarded in the following situations:

- where a contract overruns by more than 6 weeks, or
- where a contract overruns by more than 20% of the original contract duration, payments of £5.00 for external works or £10.00 for internal works per week will be made
- for use of electricity at the end of a programme of works

Contractors are responsible for payments for damages that they cause to residents' belongings; however where HFI is aware that the resident is vulnerable, we will expect relevant staff to assist the household with any claim that may be necessary by signposting the resident to the Independent Advice Project or by assisting them by filling in any relevant paperwork.

8.2.7 Heating Refunds

A refund for loss of heating applies when landlord controlled heating supply fails during the recognised heating season (usually last week in September to end of May) for 3 consecutive days or more. Refunds are based on the gross weekly charge made to the resident.

8.2.8 Hot Water Refunds

A refund applies when a resident has a landlord controlled hot water supply and has had no hot water for 3 consecutive days or more. Refunds are based on the gross weekly charge made to the resident.

8.2.9 Heating or Hot Water Compensation

Compensation is payable where the loss in supply occurs for 4 consecutive weeks or more as follows:

- for loss of heating* for a landlord controlled system during the recognised heating season for residents
- for loss of hot water for a landlord controlled hot water systems for residents
- for loss of heating* for an individual system for tenants
- for loss of hot water for an individual system except where a working emersion heater is available for tenants

Compensation is payable at £1.20 per day for the loss of both heating and hot water; 80p per day is payable for the loss of hot water only (2009/10 amounts).

* except when alternative heating is supplied

8.2.10 Concierge Service

Refunds will be paid to residents where there is a total loss of service i.e failure of both concierge service and CCTV cameras. The refund

will be the equivalent of the weekly charge that is specified in the rent breakdown and is payable for loss of service for 7 consecutive service days or more.

Compensation will only be payable to residents where the total loss of service has been continuous for 4 weeks or more. Where applicable, compensation will be based on 50% of the weekly charge.

8.2.11 Caretaking Service

HFI will pay a refund in cases where there has been a total loss of a caretaking service for 5 consecutive service days or more. For example, where the service is provided one day per week, a refund will be paid when there has been a failure for five weeks. The refund will be the equivalent of the weekly charge that is specified in the rent breakdown.

No compensation is payable for loss of care taking services.

8.2.12 Loss of Water Supply

Where a resident has a total loss of water supply as a result of a failure or omission on the part of HFI (for example, failure to keep in good order, or to repair installations and fittings for supplying water) and where the loss of water supply continues for 2 consecutive days or more. Refunds are based on the gross weekly charge made to the resident.

Compensation of £5.00 per day will be paid for total loss of water supply for 4 consecutive weeks or more, but only where it is clear and evidenced that the loss of supply is as a result of a failure or omission on the part of Homes for Islington.

8.3 Insurance

HFI strongly advises all residents to take out their own personal contents insurance policy and the London Borough of Islington can provide assistance to any household requiring help or advice.

Outstanding insurance claims must be settled before consideration will be given to any payments of compensation. This includes claims under the HFI's Public Liability, the resident's Contents Insurance Scheme or the resident's own insurance policy.

In cases where damage to belongings occurs due to HFI's negligence residents must claim against HFI's Public Liability insurance by making a request in writing or by completing the relevant claim.

In cases where damage to belongings occurs due to the negligence of a contractor working on behalf of HFI residents must claim compensation directly from the contractor.

HFI will not make payments of compensation in cases where damage to belongings is not the responsibility of HFI. In such cases residents must make claims against their own insurance policy or, where necessary reclaim their costs through the Small Claims Court.

Claims for fire damage to property are not covered in this policy and are administered by the London Borough of Islington.

If the loss of supply results from action or lack of action on the part of Thames Water, then residents should be directed to Thames Water who have their own compensation scheme.

8.4 Ex Gratia Payments

In certain cases HFI may have no direct liability to make payments to residents who suffer damage, disturbance or inconvenience; in these instances HFI will consider each claim on its own merits, taking the particular circumstances of the claim into account when making a decision. Payments are awarded at the discretion of an Area Housing Manager or Head of Service (Operations). In determining the amount to award consideration will be given for the following factors:

- The complainant's own action
- Quantifiable loss
- Loss of a non-monetary benefit
- Loss of value
- Lost opportunity
- Distress
- Time and trouble

8.5 Contractors

Where contractors have their own compensation policy HFI will expect them to pay compensation to residents for their failure to provide services on time and to a satisfactory standard. Where contractors do not have their own compensation policy they are expected to follow this policy.

9.0 Vulnerable Residents

- 9.1 We are committed to ensuring that all service users are appropriately directed to assistance through signposting to relevant organisations such as the Islington Independent Advice Project.

Where appropriate staff will provide support to residents in to help them to understand the process in which they are involved, for example, assistance in completing necessary forms.

10.0 Training

10.1 HFI encourages staff to 'own' complaints and to deal with them effectively and fairly, therefore all relevant staff will receive training on the compensation policy and procedures.

11.0 Recording and Monitoring Compensation

11.1 In order to better identify compensation expenditure and also to identify trends so as to improve learning, HFI will monitor the following using a central log:

- the reason for the refund/compensation request
- the type and date of remedy offered
- the amount paid and date of payment
- household details

12.0 Time Scales

12.1 HFI aims to deal with requests for refunds and compensation within 28 days unless the particular circumstances require investigation. Where a case requires investigation HFI aims to resolve the situation within 3 months.

13.0 Payments

13.1 All offers of compensation made to residents are to be made without prejudice. This means that if legal action is taken by HFI at any stage residents cannot rely on the offer of compensation as proof of LBI's liability. If the offer is accepted then the payment is to be made in full and final settlement of the resident's claim for compensation against LBI.