



Title:	Compensation Policy
Person responsible:	Customer First Manager
Customer consultation arrangement:	Consultation required? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If no, please explain why:
EIA required:	Yes
EIA completed (date):	March 2026
Approved by:	Board
Business Strategy Theme	Quality Homes, Quality Service, Quality People
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Links to other key policies:	Customer Experience Strategy Customer Service Standards Complaints Policy Asset Management Strategy Repairs Policy Damp and Mould Policy Disrepair Policy Unacceptable Behaviour Policy Data Protection and Data Privacy Policy Supporting Customers Policy
Review date:	March 2029

Document management		
Version	Date amended	Amendments
1	March 2024	New Policy was previously included in complaints Policy.
2	March 2026	Housing Ombudsman Service Compensation Guidance

1. Purpose and Scope

- 1.1 South Lakes Housing (SLH) is a registered provider (housing association) and was formed in 2012. We own and manage approx. 3500 homes across a wide geography mainly in South Lakeland and Lancashire. SLH is committed to providing excellent services, creating safe and sustainable communities and promoting pride in its neighbourhoods.
- 1.2 SLH believe that our customers have a right to be heard, listened to, understood and treated with respect. We work hard to be open and accessible to everyone and to deliver an excellent customer experience.

- 1.3 We recognise however, that we do not always get things right, and this policy aims to outline the approach we will take to redress, including when considering paying compensation, either as part of a service request or complaint.
- 1.4 It provides a framework to ensure that compensation payments are fair and proportionate. Each case will be considered on its individual merits and discretion, and common sense will be applied, while promoting consistency. SLH also recognise that we have to take responsibility for any detriment or damage caused to an individual or their property and belongings by a third party (contractor) working on SLH's behalf.
- 1.5 As the landlord, we insure the building, but we do not cover home contents and personal belongings. Customers are responsible for arranging their own household contents insurance. SLH has teamed up with an insurance company that offers low-cost home contents insurance for SLH residents, independent of SLH, and further information is available on our website. Residents are also advised to use comparison websites to find the best deal for their circumstances.
- 1.6 Whilst the policy works in collaboration with the Complaints Policy, it can at times act in isolation and therefore compensation can be paid outside the complaints policy. This may occur, for example, when we have missed a repairs appointment.

2. Regulatory and Legislative Requirements

- 2.1 This policy complies with the Regulator of Social Housing's Standards, particularly the Tenant Involvement and Empowerment Standard and the best practice suggested by the Housing Ombudsman Service.
- 2.2 Other relevant legislation and reference points include, but are not limited to:
- Housing Acts 1985 and 1996
 - Landlord and Tenant Act 1985
 - RSH Consumer Standards
 - Housing Ombudsman Service – Complaint Handling Code and Spotlight Report – Relationship of Equals, Compensation Policy – Guidance for Landlords, Guidance on Pre-Action Protocol for Housing Conditions Claims and service complaints, new Compensation Guidance, Remedies Guidance
 - Homes (Fit for Human Habitation) Act 2018
 - Defective Premises Act 1972
 - Housing Health and Safety Rating System (HHSRS) 2006
 - Pre-Action Protocol for Housing Disrepair Cases (England)
 - Equality Act 2010
 - Data Protection Act 2018
 - Awaab's Law

3. Definitions

- 3.1 Customers – SLH residents, including tenants, shared owners, leaseholders, customers such as applicants interacting with our services, advocates and stakeholders, where applicable.
- 3.2 Compensation - providing redress to restore a person to the position they would have been in had the service failure not occurred.

4. Our Approach

- 4.1 The aim of providing redress is to restore a person to the position they would have been in had a service failure not occurred. Each case will be considered on its merit and other remedies besides compensation payments are available to put things right.
- 4.2 In many cases, SLH will consider other forms of redress, either separately from or in conjunction with an offer of compensation, such as an apology as a means of remedying a service failure or complaint and if appropriate practical actions, such as offering to undertake repairs or redecoration which would otherwise be a customer's responsibility) and gestures of goodwill (e.g. vouchers, chocolates, flowers).
- 4.3 In certain circumstances, we recognise that paying compensation is a fair and proportionate redress. The amount will be informed by the duration of a problem, the extent or severity of any service failure and the impact. We will also take into account of any known vulnerabilities and identify if any impact is worsened through disability, old age or the presence of young children.
- 4.4 SLH will consider the [HOS Guidance on the Pre-Action Protocol for Housing Conditions Claims and service complaints](#) when handling disrepair cases and considering compensation.

5. Compensation

- 5.1 We categorise compensation into three types of compensation payments:
- mandatory (such as statutory home loss payments)
 - quantifiable loss payments (where people can demonstrate actual loss)
 - discretionary payments (for time and trouble/distress and inconvenience)

We will endeavour to discuss, explain and agree on compensation offers with customers.

5.2 Mandatory Payments

- 5.2.1 We will make payments when legally required, such as; Statutory home loss payments where applicable

Disturbance payment where applicable, whilst major works are carried out (a disturbance payment is intended to ensure that the tenant is no worse off, and no better off than if they had not been obliged to move). These payments will cover the cost of;

- Removals – we will ask for three quotations,
- Disconnection and re-connection of television aerials, telephone,
- cooker and other plumbed-in appliances,
- Soft furnishings - (carpets, curtains and blinds) - payment to meet the cost of alterations or replacement when it is not reasonable to remove and refit,
- Redirection of post,
- Storage costs - where a temporary move will not allow certain items to be moved with the tenant,
- Housing Ombudsman Service determination to pay compensation for maladministration or service failure.
- Payments under the Right to Repair or Right or Compensation for Improvements schemes, and
- Costs for legal disrepair, which may include compensation and legal costs.

5.3 Quantifiable loss payments

5.3.1 We will make payments where costs have been reasonably incurred and evidence of such loss has been provided, such as;

- Increased heating bills due to disrepair,
- Having to pay for alternative accommodation or take away food,
- Paying for cleaning or carrying out repairs where a landlord has failed to meet its obligations,
- Damage to customers' personal property (customers advised to claim on their contents insurance). We may offer to support the customer, pay a policy excess or consider paying compensation if the damage has been caused directly as a result of the actions or omissions of SLH landlord or contractor working on its behalf,
- Damage to internal decorations
- Reimbursement of costs incurred as a result of damage caused by SLH colleagues or contractors
- Loss of heating, hot water and/or power – compensation may be considered where there is clear evidence that the customer experienced such a loss as a result of an SLH service failure. Compensation will not be offered where the loss occurred due to planned works.
- Where a complaint relates to the condition of the property. We will investigate and take into account the rooms that could not be used for their intended purpose.
- In line with the Housing Ombudsman Service compensation guidance, we consider compensation linked to rent charged; the following spaces would be considered as essential living areas:
 - Bedroom
 - Kitchen
 - Living room
 - Bathroom

- WC

We do not calculate compensation based on rent for areas that simply connect living spaces or for outdoor areas. This includes:

- Hallways
- Landings
- Gardens
- Balconies

However, if our service failure has meaningfully affected resident's ability to use these areas, we may consider compensation for distress and inconvenience.

To ensure consistency and transparency, SLH will align its approach with the Housing Ombudsman Service, the percentage table detailed below when calculating compensation based on rent. The table sets out the percentage applied per room where loss of use is identified.

Room	Percentage of Weekly Rent
Living Room	20%
Bedroom	20%
Kitchen	30%
Bathroom	30%
Bathroom where additional W/C is available	20%

5.4 When the condition of the home affects the use of the entire property, we will apply 100% of the rent charged as the basis for the compensation calculation (before considering any mitigating factors). The total amount of compensation awarded will not exceed 100% of the rent charged.

5.5 We may use the rent charged as the basis for calculating compensation for leaseholders, including shared owners. This will always depend on the specific terms of the lease and SLH's repair responsibilities under that lease.

5.6 Discretionary Payments

5.6.1 We may make payments for time, trouble, distress and inconvenience, taking into account whether this is considered minor £0-£50, moderate £50-£250 or severe £250-£500, such as;

- Poor complaint handling,
- Delays in providing a service eg in undertaking a repair,
- Failure to provide a service that has been charged for,
- Temporary loss of amenity,
- Failure to meet target response times,
- Loss of use of part of the property,
- Failure to follow policy and procedure,
- Breach of data protection regulations leading to emotional distress,
- Unreasonable time taken to resolve a situation,
- Missed appointments

There will be instances when discretionary payments over £500 will be made, such as due to disrepair. Any discretionary payments over £500 should be authorised by a member of SLT.

- 5.7 Whilst we may request evidence of costs incurred, we understand that this may not always be possible as the resident may not have retained any proof of purchase. We want to do the right thing when a resident has been affected by our actions. Sometimes customers tell us they have had costs or financial loss, but they are unable to provide evidence. In these situations, we look carefully at all the information available and decide - on the balance of probabilities - what most likely happened.
- 5.8 If it's clear that the customer has experienced a cost, they would not have had if our service had been as it should, but we cannot reasonably estimate the exact amount, we may award a payment that recognises the impact and acknowledges the inconvenience and expense caused by our service failure.
- 5.9 We use the same definition for missed appointments as the Housing Ombudsman Service. There may be occasions when a pre-arranged appointment does not go ahead as planned due to foreseeable or unforeseen circumstances. We classify an appointment as "missed" when:
- We do not notify the resident that the appointment cannot go ahead.
 - SLH or its representatives attend the resident's home but do not follow the agreed reasonable adjustments, meaning the appointment cannot take place.
 - SLH or its representatives arrive unreasonably late - usually by 2 hours or more - and the resident is unable to accommodate the revised time.
- 5.10 We are unable to offer compensation when SLH and/or its representatives cannot attend an appointment for a valid reason. Examples include colleague sickness or parts not being available as expected, where we provide reasonable notice - usually 24 hours or more - to the resident.
- 5.11 We are also unable to offer compensation when an appointment is missed or cannot go ahead because of the resident's actions, whether intentional or unintentional. This includes situations where the resident does not acknowledge the appointment despite reasonable notice or does not provide access to the property.

5.12 Other Remedies

- 5.13 We recognise that non-financial remedies matter greatly and may be more appropriate response. Examples of these include and not limited to:
- Written apology
 - Prioritise and complete repairs or inspections
 - Corrections to records

5.14 Where there are rent arrears, we will offset the compensation offer against any outstanding rent or service charges. We will, however, not offset against these, where;

- the arrears are in dispute
- the arrears are the subject of the complaint
- SLH is legally obliged to make the payment – e.g. a statutory Home Loss or Disturbance payment
- Our service failure has resulted in the arrears accruing
- the resident has incurred additional, reasonable ‘out of pocket’ expenses because of our service failure.

5.15 In some situations, the appropriate level of compensation may be straightforward to determine. Where this is not possible, we will refer to the Housing Ombudsman Service’s compensation guidance, as outlined in Appendices 1 and 2 of the document below.

6. Situations where Compensation will not be considered

6.1 There will be situations when SLH will not consider paying compensation, which could include:

- The loss or damage was caused by a resident, household member or visitor and includes failure to report a repair promptly or keep an appointment,
- The customer has refused to co-operate and/ or provide access