

## Compensation Guidance

### 1 Purpose

- 1.1 This guidance describes the different situations and ways that we can compensate customers where we receive a complaint, or a service failure has taken place. It aims to guide colleagues through the decision-making process that ensures:
- Compensation is fair, transparent and proportionate
  - We balance considering the individual merits of each case, while also promoting consistency
  - We offer an apology for the inconvenience caused
  - We will consider the time and trouble, as well as any distress and inconvenience caused to the customer because of service failure
- 1.2 Alongside offering financial compensation, we may offer other remedies, either separately or in combination. These can include practical actions such as offering to undertake repairs or redecoration which would usually be the customer's responsibility, gestures of goodwill, such as vouchers and/or issuing an apology or statement of correction.
- 1.3 When making an offer of compensation our aim is to put the customer back in the position they would have been in, as far as possible, if we had done things correctly, or if we had done things fairly.
- 1.4 We should consider offering compensation in all situations, whether the complaint has been upheld or whether the customer has requested compensation. This means, ensuring we are doing our best to repair or improve our relationships with customers when the opportunity presents itself.
- 1.5 Octavia is a subsidiary of the Abri Group. This guidance applies to Octavia customers and colleagues.

### 2 Responsibilities

- 2.1 We encourage customers to take out contents insurance to cover their belongings and decorations against accidental damage, loss, fire or flood or other events that cause damage.
- 2.2 In our efforts to treat all our customers fairly, they will need to provide relevant evidence when claiming compensation for damaged property, as follows:
- Give us, or our insurance company, any information relevant to the claim that we ask for, which may include:
    - Proof of ownership and the value of the lost or damaged item (for example, photos, instruction booklets or receipts)
    - Evidence of the damage, which may include the damaged items themselves
    - Written estimates of repair costs
  - Give us, or our contactors, access to, or allow inspection of, the damaged property
  - Immediately tell the police about any loss or damage caused by suspected criminal activity. They will need to request a crime reference number and a CAD number and provide us with the details.
- 2.3 Without relevant evidence, we may be unable to deal with your request for compensation or be unable to pay the full claim being requested.

### 3 Receiving compensation claims

## **Who do we compensate?**

- 3.1 Generally speaking, we pay redress to and for the customer (or the eligible complainant). We would typically not pay redress to or for a third party bringing a complaint or dispute on behalf of someone, nor to other parties that complainant/customers say has also been affected.
- 3.2 There may be some exceptions to this, for example where our actions cause distress to a family member and, by virtue of this, cause our customer added distress. But we would typically not pay compensation to the other party – we would consider it when looking at compensation for our customer.

## **When we offer compensation**

- 3.3 We will consider compensation as part of a complaint. Where we offer compensation as a remedy for a complaint, we would normally make the offer at the end of the complaint investigation, and payment once the case is closed.
- 3.4 Outside of our complaints process, where we can see a loss will have been incurred and it's our fault, we should offer to reimburse these even if the customer doesn't ask.
- 3.5 Customers can also bring to our attention where they believe they are due compensation and can raise these by:
- Talking in person to any member of staff, who will pass your request on to the appropriate person in the organisation
  - Calling or emailing our customer contact centre
  - Writing us a letter
  - Asking a relative or someone else to contact us for them (if you give them permission)

## **Acknowledging and recording compensation claims**

- 3.6 Where a request for compensation is received and does not involve a complaint, the colleague receiving the request should send it to the complaint's inbox at the earliest opportunity. The Complaints Team should acknowledge these within 5 working days and raise them as a service request on CRM to the relevant team. Once compensation has been awarded, these will be recorded as a Feedback – Compensation case in CRM by the Complaints Team as describe in section 9 of this guidance.

## **4 Our principles for awarding fair compensation**

- 4.1 There are several different options available to you when determining the type of redress or remedial actions you may want to take, and these are outlined in more detail in the other sections of this guide. But the starting point for any of these determinations should be to put the customer back into the position they would have been in, as far as possible, if we had done things correctly, or, if we had done things fairly.
- 4.2 There are two particularly important statements here to take note of; the first being “as far as possible”.
- 4.3 Sometimes, we can take steps to ‘undo’ an event as if it had never happened. For example, as a consequence of our actions, an operative damaged a customer's carpet when removing a radiator. Therefore, we replaced the carpet as if it never happened.

- 4.4 However, some events can't be undone. For example, a staff member was rude to a customer, causing upset. The staff member apologised; however, we could not reverse what happened.
- 4.5 So, we must decide what we need to do to repair what has happened and, where we can't, what we can do instead to make up for it.
- 4.6 The second statement is or, "if we had done things fairly".
- 4.7 We may have done things correctly in terms of what policies and procedures say, or what laws or regulations allow. But that doesn't mean it was fair on the customer in their circumstances. So, we also need to consider whether, in the individual circumstances, we have treated our customer fairly and done what is (ethically) right, not simply what is permissible.
- 4.8 Once you've determined what it is you need to put right, there are different types of redress or remedial steps available to do this, which will typically involve one or more of the following:
- Paying costs
  - Other monetary awards or giving a gift
  - Taking necessary actions on an account
  - Issuing an apology and/or a statement of correction
- 4.9 We'll look at these in more detail in the subsequent parts. Keep in mind, however, that doing one thing doesn't mitigate the need for doing another. So, covering costs doesn't automatically mean you shouldn't also consider other monetary awards – nor does it mean these other awards should be less, simply because what you're awarding already feels quite high. So, it may be that your resolution includes several different types of redress and remediation.

### **When and how to award compensation**

- 4.10 The further sections of this guidance give guidance on common areas in which we offer compensation, but these do not cover every situation, and the principles of this section should be applied to decide the amount of compensation a customer should be given.
- 4.11 You should consider the following when determining whether or to what extent to reimburse costs:
- 4.12 **That a loss was actually incurred, or the event actually happened.** For example, we wouldn't reimburse a customer asking to be compensated for a day's wages because they are unhappy with the service received from the engineer. However, they would have still been required to take a day's leave for the appointment to go ahead. We also generally won't compensate for something that could have happened, but didn't, even if the customer was worried about it at the time. For example, if our engineer was running slightly behind and the customer was worried about being late to collect her children from school, however still managed to collect her children on time.
- 4.13 **That the loss or impact was caused by our actions,** and not simply the surrounding circumstances. The 'test' here is whether what happened was a predictable outcome of what we did. For example, if a customer was required to make several calls to us and was charged more by their phone provider for these calls than if we hadn't delayed in responding, we should reimburse these fees.

- 4.14 **That they are reasonable costs.** Generally, we should expect a customer making a claim for financial loss to evidence this for example with receipts, unless the cost is clearly reasonable in the circumstances – in which case you can accept it at face value. However, these costs need to be reasonable, irrespective of whether they can be evidenced. For example, if the customer instructed a solicitor simply to help them bring a complaint which did not involve complex legal matters (and in which they could not have received free legal advice), we would not expect to pay their solicitor fees, even if we determined we were at fault.
- 4.15 **Mitigating factors.** We also consider any extent to which the customers actions might have contributed to the situation in which they found themselves, in other words whether they exacerbated or failed to minimise the impact. Equally, the customer may have been proactive in seeking to minimise the impact of the situation on them. All these factors may mitigate or minimise the level of award ('mitigating factors').
- 4.16 Examples of when the customer's own actions mitigate the extent of the compensation being considered might include:
- failure to communicate clearly with landlord
  - failure to bring individual matters to landlord's attention within reasonable timeframe
  - refusing help to make coherent complaint
  - failing to respond to contact from landlord
  - repeatedly refusing to allow landlord access to inspect the property and assess the extent of works needed (where relevant)
  - pursuing a complaint in an unreasonable or excessive way
- 4.17 The customer would have had to have reasonably known that they were expected to or should / could take steps.
- 4.18 You also need to consider whether the customer should have been put in the position where they had to take those steps in the first place. For example, if they were needed as a consequence of our wrong actions. This doesn't fully mitigate our need to compensate, but it may reduce what you decide to award.
- 4.19 **Aggravating factors.** Our compensation should also recognise the fact that the emotional impact experienced by an individual customer is unique to them. Not all customers will experience the same emotional impact in response to the same instance of service failure. This might be due to their particular circumstances, or as a result of a vulnerability ('aggravating factors'). Consideration of any aggravating factors could justify an increased compensation amount to reflect the specific impact on the customer. Section 7.18 gives further guidance on assessing aggravating factors.

## 5 Mandatory Payments

### The right to repair

- 5.1 We will pay compensation where a repair that costs up to £250 is not completed to the first target time, and:
- the tenant has advised Octavia Housing of the failure,
  - we arrange a second target date,
  - and the second target date is not met.
- 5.2 For the purposes of this guidance, first target times are as follows (and does not refer to the appointment date itself):
- Emergency repairs - within 24 hours

- Urgent repairs - within 5 working days
- Routine repairs - within 15 working days
- The amount payable is £20, plus an additional £4 per day for each day that the repair is outstanding after the second target date is missed – up to a maximum of £100. Where the customer also qualifies for compensation on rooms/services out of use (see s.6.16), the greater of the two amounts will be paid and the customer will not receive two separate payments.

5.3 Compensation is not payable if the delay was caused by:

- Circumstances beyond the control of Octavia Housing or its contractors, for example industrial action of another party
- Where outside factors, such as a public health emergency, mean we are unable to obtain parts from suppliers or we do not have access to usual suppliers
- The customer, for example, not allowing access

## Improvements

5.4 Under Section 99a of the Housing Act 1985 (amended by Section 122 of the Leasehold Reform Act 1993) compensation is payable for improvements made by the customer where the life of the improvement work is not expired at the end of their tenancy, and the customer had:

- Notified Octavia of their intention to carry out the improvement work
- Obtained our consent
- Submitted two independent quotations for the work to us

5.5 The minimum amount payable for improvements is £50, and the maximum is £3000. The amount of compensation payable is calculated using the formula in Statutory Instrument 613/94:

$$\text{Approved value} \times \left(1 - \frac{\text{Age}}{\text{Notional life}}\right)$$

5.6 Definitions of the formula terms:

- ‘Approved value’: value of work done - can be adjusted if this was excessive or if the quality of the improvement work was of a significantly higher quality than expected.
- ‘Age’: current age of the improvement.
- ‘Notional life’: life of the improvement (this can be varied if the improvement deteriorates at a greater rate than expected).

Item	Notional life expectancy (in years)
Bath, toilet, shower and hand wash basin	12
Kitchen sink, cupboards and work surfaces	10
Space or water heating systems	12
Thermostatic radiator valves	7
Pipe and water cylinder insulation	10
Loft and cavity wall insulation	20
Draught proofing	8
Double glazing / secondary glazing	20
Re-wiring	15
Security devices (except burglar alarm)	10

5.7 Compensation for improvements is not payable if the tenancy is ended by:

- court action
- a right-to-buy application

- 5.8 Compensation for improvements is not paid to leaseholders or homeowners as they will benefit directly themselves from the improvements in the future resale of the property.
- 5.9 The customer must provide evidence they received approval from Octavia to make the improvement, such as the letter of authorisation.

## 6 Quantifiable loss payments

### **Costs for additional heating and dehumidifiers**

- 6.1 Where there is a heating breakdown and the running costs of the alternative heating provided is more expensive, we will make a reasonable payment to reflect the difference between the running costs of the two systems. This is calculated on average to be £3.50 per heater, per day for electric heaters.
- 6.2 Where we provide a dehumidifier to help the drying out of a property after a leak or flood, we will make a reasonable payment to reflect the running costs of the dehumidifier. This is calculated to be on average £1.50 per dehumidifier, per day.

### **Damage**

- 6.3 We expect customers to take out content's insurance, and will not accept claims where
- The damage has been caused by a third party or was outside of our control
  - A member of the household fails to take reasonable steps to limit the damage (for example, moving valuable items away from an affected area once aware of the potential damage)
- 6.4 Where damage is caused to the customers' contents, internal decorations or flooring\* as a result of proven negligence by Octavia Housing, customers will need to give proof of the item's value. To help customers do this we recommend that they keep photos, instruction booklets, copies of valuations and receipts related to important items in their home. We also require:
- Proof of damage
  - Access to inspect the damage, if necessary
  - Customers to immediately tell the police about any loss or damage by suspected criminal activity

\* We do not compensate for laminate or other difficult to replace flooring laid by the customer, where we have to remove or disturb it when carrying out works.

- 6.5 The age and condition of the item should also be considered, as we shall provide a second-hand valuation based on condition and age of the item, rather than the price of a new item in replacement. For example, a sofa which originally cost £1000, for which the customer has a receipt, shall not retain this value for the life of the sofa.
- 6.6 Claims must be made within 10 working days of the damage occurring. Any payments made will be at the value of the item when it was damaged and may not cover the cost of replacement.

### **Unable to occupy property for a short, temporary period**

- 6.7 While works take place, we may need to move a customer (this does not apply to leaseholders) out of their home for a short, temporary period (non-decant). The relevant Housing Services Manager / Supported Housing Manager will authorise the temporary move.
- 6.8 Compensation payments depend on the person's circumstances, as defined below.
- 6.9 If the customer chooses to stay with friends or family, we offer:
- A daily allowance of £20 per adult and £15 per child
  - The initial travel costs of going to the property
  - The difference (if any) of travel costs compared to their permanent home in getting to their place of work, school/college or support agency
- 6.10 If the customer is accommodated in a B&B or hotel (inclusive of breakfast), we will arrange the accommodation and make payment direct to the B&B or hotel. The accommodation should cost no more than an average mid-range hotel within a reasonable distance from the customer's home. In addition, we offer:
- A daily allowance of £15 per adult and £10 per child
  - The initial travel costs of going to the B&B or hotel
  - The difference (if any) of travel costs compared to their permanent home in getting to their place of work, school/college or support agency

## 7 Discretionary payments

- 7.1 This section describes the key areas where we make discretionary payments. It is not possible to prescribe every circumstance exactly where Octavia will make a discretionary payment. Therefore, managers can exercise their discretion and authorise these payments where we:
- did not follow our policies and procedures, and / or;
  - acted in an unreasonable manner.
- 7.2 As the cases where discretionary payments apply are varied, some discretion is left to managers to decide on the amount paid. However, in deciding the amount the manager should:
- Take account of any loss incurred by the customer
  - Consider the length of disruption to the tenancy
  - Be consistent and refer to payments on similar cases in the recent past
  - Consider payment levels directed by the Housing Ombudsman for any similar recent cases
  - Consider the time and trouble, as well as any distress and inconvenience caused to the customer

### **Failure to deliver services**

- 7.3 Where we fail to provide a service for which we make a service charge for more than 10 working days, we will make a discretionary payment. The payment will be paid into the customers' rent account. The amount is equivalent to the amount payable under the service charge for the relevant service/s. The adjustment is made within 20 working days of the service being resumed, except for leaseholders when an annual adjustment to the service charge account is made. All customers similarly affected will receive the same payment amount.

- 7.4 We do not pay compensation if the fault or failure to provide a service is due to misuse, vandalism, difficulty in obtaining replacement parts, or planned works. Components that have reached the end of life and replaced through our planned works service are also exempt.

### **Rooms and services out of use**

- 7.5 Where room(s) or service(s) are unusable because of disrepair, after a specified time period we will offer payment in recognition of the inconvenience caused, as follows:

Room or service	Amount payable
No sanitary provision at all (where there is only 1 in the dwelling) where the toilet is completely unusable	100% of rent (after 24 hours)
A complete loss of cold-water supply	100% of rent (after 72 hours and until it is fixed)
A complete loss of electricity supply	
A complete loss of heating (October to March only, except where there was unusual cold weather and / or a customer vulnerability), where no temporary alternative heating is provided	
No hot water	20% of rent (after 5 working days)
Kitchen out of use	20% of rent (after 72 hours)
Bathroom out of use	
Living room out of use	20% of rent (after 10 working days)
Bedroom out of use	

- 7.6 Where customers are affected by more than one of the criteria above, we will use our discretion to calculate an overall compensation amount which doesn't exceed 100% of rent for this component of the overall compensation.
- 7.7 We do not make these payments in cases where:
- The customer has not reported the issue to us
  - We have completed repairs within the timescales of our repairs policy
  - Room(s) or service(s) are out of use, but the cause and remedy is not within Octavia's control (for example, electricity is out of use due to a local power cut)
  - The customer has been moved to or refused an offer of a temporary home

### **Missed appointments**

- 7.8 If we arrange to visit a customer at home, fail to keep this appointment and/or did not inform the customer of a change to the appointment at least 24 hours prior to the appointment, we will make a £25 discretionary payment in acknowledgement of the inconvenience caused.
- 7.9 We will not make payments on claims related to loss of earnings. However, where we miss two appointments or more, we may offer a discretionary payment up to a maximum of £100. This will be decided on a case-by-case basis.

### **Distress and inconvenience**

- 7.10 Our compensation should recognise the overall distress and inconvenience caused to a customer. Distress can include:
- anxiety, worry, frustration, and uncertainty



- raised expectations – where our actions or inactions resulted in a customer reasonably believing that something would, or would not, happen
- inconvenience
- a strong sense of having been treated differently to others for no apparent reason
- problems caused by delays in a landlord resolving matters or poor complaint handling

7.11 When assessing the impact of the distress and inconvenience we take into account:

- the severity of the situation
- the length of time involved
- any disabilities or particular vulnerabilities of the customer
- any other relevant factors

7.12 The amount of compensation we decide upon does not reflect a definitive loss, as we are not able to quantify this, but it is a recognition of the overall distress and inconvenience caused to the customer by the particular circumstances of the complaint.

7.13 The distress has to be material; that is, go beyond a simple annoyance or everyday frustration. For example, spelling someone's name wrong on a letter can be annoying for a customer, but it typically wouldn't impact someone so as to cause distress – or, at the very least, it wouldn't generally be considered a justifiable response to the situation. So, it's unlikely we'd pay them compensation for this. On the other hand, addressing a letter to someone using their married name, having been made aware of a difficult divorce, could be justifiably upsetting for someone – so would be considered material.

7.14 We should consider whether the reaction to the situation was reasonable. People may react to the same situation differently. So, it's difficult to say that a customer hasn't suffered distress, if they say they have. A good starting point to this is to ask the following question: 'how would the average person, when presented with the same situation and in the same circumstances, reasonably react or be affected; or what steps would they typically take?' and possibly increasing the award if we feel that particular customer has genuinely felt particularly aggrieved by something.

7.15 An example would be a customer having a difficult time at work and leaves the office very stressed. He arrives home to find a letter from Octavia asking him to call and set up a repayment plan. We'd previously promised a period of forbearance because of his financial difficulties so shouldn't have contacted him. The customer raises a complaint and tells us about his issues at work and how, on top of this, we've now caused even more problems and stress. We uphold the complaint because we shouldn't have contacted him. We would compensate the customer for the distress that may be caused by asking him to pay money to us when we'd promised forbearance, taking into account the impact his financial difficulties have on the situation. But we wouldn't increase our compensation on account that he was already feeling stressed by what was happening at work. Whilst this situation may also be causing him stress and may add to his overall feelings, the stress he's feeling because of work isn't a predictable outcome of our actions – we're not at fault nor responsible for this.

7.16 Inconvenience again needs to be material, so you should distinguish between the everyday efforts and time a customer would be expected to make and set aside, to tasks that are particularly onerous or out of the ordinary. For example, a consumer is expected to need to correspond with a business from time to time, whether to seek, clarify or provide information, or even to complain about something. So, this wouldn't be considered a material inconvenience. However, if that consumer had to chase us several times to do something or had to make the effort to obtain and send information, we could have found out ourselves,

this may be considered material as the customer should not expect to have to spend time and effort doing this.

### **Time and trouble**

- 7.17 A remedy of financial compensation may be appropriate if we feel that the time and trouble incurred by the customer in seeking to resolve their complaint was significantly more than would be reasonably expected due to our poor complaint handling. For example, we may find that we had unreasonably failed to progress or escalate a complaint on repeated occasions, failed to respond to reasonable contacts from the customer or demonstrated overall poor complaint handling. We consider the overall and cumulative adverse effect on the customer, and we may make a remedy that recognises the impact on the customer of the time and trouble they have incurred in pursuing their complaint.

### **Aggravating factors**

- 7.18 We cannot assess the extent to which our service failure has contributed to or exacerbated a customer's physical and/or mental health, and we therefore cannot directly quantify this. However, wherever appropriate, we will seek to recognise these circumstances in the remedies we set out.
- 7.19 This is quite a high bar to demonstrate as it isn't sufficient for someone to simply say they were made to feel ill, or it has made their depression feel worse. It must be demonstrable that our actions have affected their physical or mental health in such a way as to have significantly impacted their everyday life, routine and/or wellbeing.
- 7.20 For example, a customer asks to speak with a colleague trained to better support with their mental health as they are feeling as though they are in crisis, but the colleague fails to raise this with the appropriate team, resulting in the customer being left without support when they need it. In turn, they suffer unnecessarily from their condition for a prolonged period. Other examples of aggravating factors might include:
- customer's mental health condition (for example mishandling of ASB aggravates existing condition)
  - customer with young children (for example an extended period in temporary accommodation because of repair delays causes significant inconvenience and upset)
  - customer's disability (for example the daily impact of emergency decant as result of failure to comply with repairing obligations)
  - customer with responsibility for dependent with disability (for example delayed repair response could have disproportionate impact)
  - any previous history of mishandling by us of the customer's tenancy
- 7.21 The above lists are not exhaustive, and complaints may include elements from more than one category.

## **8 Other remedies**

- 8.1 Aside from financial compensation, we should consider if there are other appropriate actions we could take to remedy a complaint, either separately from or in conjunction with an offer of financial compensation. These may include practical actions (such as offering to undertake repairs or redecoration which would otherwise be a customer's responsibility), gestures of goodwill (e.g. a gift basket, vouchers, chocolates or flowers), and apology or a statement of correction.

### **Goodwill gestures and vouchers**

- 8.2 Goodwill Gestures may include items such as flowers, gift baskets, vouchers or chocolates, sent to a customer as a gesture of apology when it may be more appropriate than money.
- 8.3 Care should be taken in such circumstances to ensure the gift is appropriate as this in itself may give rise to further problems. For example, sending chocolates or alcohol to a customer may seem reasonable, but it may offend or upset them if they are diabetic or have suffered or are suffering from alcohol abuse, or do not drink for religious reasons. So, you need to ensure you know your customer well before doing this.

### **An apology**

- 8.4 Sometimes money isn't appropriate; for example, where we've done something wrong but don't consider the impact to be material. It may suffice to simply acknowledge our mistake and apologise – and sometimes this is all a customer asks for.

### **A statement of correction**

- 8.5 Where our actions have caused the customer difficulties and they need to evidence that things aren't as they seem to another party, issuing a statement of correction the customer can show the third party is sufficient – or may be provided in addition to one of the above.
- 8.6 For example, if we had issued a letter stating that the customer's rent account is in arrears, and this caused conflict in the customer's relationship. To put things right, we would issue a statement of correction to apologise for our error and explain the correct account status.
- 8.7 Note that we should always provide statements of correction under separate cover to our final or other communication. This is to help the customer avoid embarrassment of any personal, sensitive or other information that may be referred to in the letter and/or of which the customer in any event does not wish to disclose.

## **9 Making compensation payments**

- 9.1 When we award compensation, we will be clear as to what and why compensation has been awarded for. By making it clear to the customer, we can manage their expectations transparently and avoid escalating the issue. A good example of this is that time and trouble should not be conflated with distress and inconvenience: these are different things. However, we would not usually break our overall awards of compensation down to expressly state the mitigating and aggravating factors that we have taken into account.
- 9.2 Our position on making compensation payments is that in most cases they should be treated separately from other existing financial agreements between ourselves, and our customers and we should therefore give the customer the option of having their compensation paid to their bank account or as credit on their rent account. If we were to make up for financial loss by reducing the balance of the customer's rent account, this wouldn't be putting the customer back into the position they would have been in. Similarly, the customer may choose to put these funds towards other priority debts.
- 9.3 Payments must be charged to the compensation budget and logged as a 'Feedback – Compensation' case on CRM. In all cases the Complaints Team are the ones to record compensation cases on CRM and therefore must be notified where compensation is awarded. All case details should be completed, such as completed

payment DocuSign form, correspondence with customer, amount awarded etc. The Complaints Team should check that the same request for compensation has not already been raised by multiple departments.

- 9.4 When logging a compensation case that is related to a complaints case, The Complaints Team must include the complaints case reference number in the case title.
- 9.5 Where payments are made but the service failure was caused by a contractor, the amount should be recovered from the contractor by Octavia.
- 9.6 The time limit for making compensation claims (outside of our complaints process) is six months after the event. The time limit for the customer to respond to an offer of compensation, discretionary payment or other remedy is 10 working days. Final acceptance is required within three months.
- 9.7 The customer should be provided with the option of how they wish to receive the funds, either directly to their bank account or to be added as credit to their rent account. Should the customer not reply within the time period provided, the funds should be applied to their rent account or sent as a cheque if they are no longer our customer.

## 10 Interest payments

- 10.1 Interest awards make up for the time that a customer has lost or been 'without the benefit of' or 'deprived of' money they should not have; or, because there was a long delay in paying money to the customer.
- 10.2 We will not usually consider including interest in the calculation for the remedy unless the period of delay by the landlord was more than six months and the payment itself is more than £1,000.
- 10.3 The courts typically use a standard rate of 8% simple interest per year for such awards. As such, the same approach is often used by Ombudsman Services and is standard industry practice.
- 10.4 Rare exception may mean different rates are used; for example, where it's demonstrated that 8% isn't appropriate. This is usually where the rate should be higher, despite savings and investments nowadays rarely yielding such a return, as these awards will typically be considered in favour of the customer, not the business.
- 10.5 Interest awards are more commonly paid alongside cost awards but may be standalone. Businesses are expected to pay these costs directly to the customer. The customer should be provided with the option of how they wish to receive the funds, either directly or to be removed from any outstanding balance. Should the customer not reply within the time period provided (typically 14 days) the funds should be applied to their rent account or sent as a cheque if they are not an active customer.

### **How they're worked out**

- 10.6 Interest calculations are completed by our Finance Team.
- 10.7 An email should be sent to our Finance Team containing the details of the request, relevant customer information, and the reason why a refund of interest is being requested.

- 10.8 The relevant line Manager should be copied into the email to provide authorisation before the calculation can be completed.

### **Other requirements**

- 10.9 Interest awards may be liable to tax, depending on the recipient's tax position. We are required by law to deduct basic rate tax from any interest awards and pay the net amount, with the tax deduction paid to HMRC. We then need to inform the customer of this and what they may need to do, depending on their tax position.
- 10.10 The following standardised paragraph should be included in all Final Responses where this is applicable:

*"HMRC requires Octavia to remove tax from this interest. Should you require a certificate detailing how much tax has been removed, for the purpose of your end of year tax return, please get in touch."*

## **11 Insurance Claims**

### **Notification of Insurers**

- 11.1 Even if a customer has been offered redress or remedial action, colleagues need to consider whether a case should be referred to Octavia's Insurers.

### **Terminology**

- 11.2 An investigation by an insurance company is different to our internal consideration of a formal complaint. An insurer determining an insurance claim has a narrower focus than our complaint investigation and is concerned solely with negligence and liability. In addition, insurers are not neutral or independent, are not concerned with fairness or proportionality and such investigations are adversarial rather than inquisitorial. Furthermore, an insurance investigation is not concerned with identifying what went wrong, how things could be put right or what learning can be identified to improve Octavia's future service provision.

### **Why use an Insurer?**

- 11.3 Insurance protects a landlord's financial standing by the insurer paying compensation claims as opposed to this coming from the landlord's finances. So, when a customer raises concerns, the outcome of which may be compensation, it is appropriate for us to consider if the matter should be referred to its insurers to protect our financial resources.

### **When to refer to insurers?**

- 11.4 Complaint Handlers will need to treat each case on an individual basis and decide as to whether they need to refer the matter to the insurers. This can be discussed with the Insurance Team for further guidance, but the following should be considered in this triage decision:
- If a customer is unable to evidence the level of damages they are claiming, it may be reasonable for a landlord to ask that the complainant's insurer determine the claim.

- If we accept that we may have been at fault for damage to a complainant's property or belongings it may not be reasonable to ask the complainant to claim on their own contents insurance as this may affect their future premium and / or require them to pay an excess.
- Personal injury: It is important to distinguish between stress and distress. Stress is a medical condition and any claim that our actions or inactions have caused a customer stress should be dealt with as above as a personal injury claim outside of the complaints process. However, distress (along with inconvenience, annoyance and nuisance) is not a medical condition and we will investigate and respond to reports that our actions or inactions have caused distress to a customer as a formal complaint.

11.5 Some examples where we would refer to our insurers include:

- Damage to property where we may be at fault. For example, where a leak gave rise to damage, and we caused or contributed to the leak or failed to carry out our repair responsibilities in a reasonable time to stop it.
- Personal injury claims. For example, if a customer slipped in a communal stairwell, causing personal injury and is now requesting a large sum of compensation.
- Negligence

### **A common scenario**

11.6 A useful scenario to consider is where there has been damage to a complainant's possessions from an escape of water.

11.7 In such cases it is important to consider:

1. Who was responsible for the part of the property where the leak originated (the landlord if from a tenanted flat or a communal space, or leaseholder). This is the person that bears the risk of any accidental damage.
2. Was someone responsible for causing the leak because of an action (causing damage) or an omission (the party responsible for the repair failing to repair it in line with its obligations).

11.8 Following on from this, insurance may be relevant in terms of covering the responsible party's costs in putting right any damage caused but the key matter to consider initially is who was responsible. Please see the [Housing Ombudsman's guidance](#) for more information.

### **The Insurers Decision**

11.9 The Insurers will carry out a full investigation in the circumstances of the loss, which may include a loss adjuster attending the customer's home.

11.10 It is likely we will also be requested by the Insurers to provide several documents including:

- Any documents requested in a Letter of Claim
- If not requested / provided already:
  - A copy of the accident book entry and report to the Health and Safety Executive, if appropriate
  - A copy of the internal incident report
  - Original photographs taken after the incident
  - If the accident involves machinery, a copy of the service and maintenance records
  - A copy of any witness statements or details of witnesses or anyone who attended to the customer shortly after the incident
  - Documentation with regard to the system of work/production

- A copy of the risk assessment, pre- and post-accident
- Any other background or other additional information which might support in the defending a claim or assist the insurer in making a decision

11.11 Under the Injury Public Liability Pre-Action Protocol Insurers have 40 working days to respond with their decision on liability. The Insurers will normally liaise directly with the customer to manage their expectations.

## 12 Compensation award matrix

12.1 The matrix below offers examples of situations with different impacts on customers, and the value of redress we deem suitable in these scenarios:

Level of redress	Impact on customer	Circumstances
£50 to £100	Minimal. Short duration. May not have significantly affected the overall outcome for the customer. Might include distress and inconvenience, time and trouble, disappointment, loss of confidence, and delays in getting matters resolved.	There was a minor failure in the service provided and we did not appropriately acknowledge these and/or put them right.
£100 to £600	No permanent impact	There was a failure which adversely affected the customer. We failed to acknowledge our failings and made no attempt to put things right.
£600 to £1,000	Significant impact	There was a failure which had a significant physical and / or emotional impact on the customer.
£1,000 +	Severe long-term impact	There have been serious failings. There was a single significant failure in service or a series of significant failures which have had a seriously detrimental impact on the customer. Our response to the failures (if any) exacerbated the situation and further undermined the landlord / customer relationship. We repeatedly failed to provide the same service which had a seriously detrimental impact on the customer. The failures accumulated over a significant period of time (however this will not necessarily be the case as a single significant service failure may be sufficient).

## 13 Summary of payments

Category	Reason	Amount payable
<b>Statutory compensation</b>		
<b>Right to repair for qualifying repairs (below £250)</b>	Repairs valued up to £250 not completed to target time and we fail to meet a second target date.  Target times: Emergency: 24 hrs Urgent: 5 working days Routine: 15 working days	£20 + £4 for each day after a second target date is missed. Maximum: £100
<b>Improvements (made by customers)</b>	Work carried out with our consent, and life of work not expired at end of tenancy. The customer must provide evidence that they received permission from Octavia to make the improvement.	£50 - £3000 dependent on age and value of improvement
<b>Quantifiable loss payments</b>		
<b>Additional heating or dehumidifying</b>	Increased running costs are incurred by the customer due to the use of an alternative heating method, or there are costs incurred by running dehumidifying equipment.	Heating: £3.50 per heater per day Dehumidifying: £1.50 per dehumidifier per day
<b>Damage</b>	Damage is caused by negligence of Octavia's staff	Cost of repair or replacement
<b>Unable to occupy property</b>	Customers are required to move out of their permanent home for a short period whilst works are carried out (non-decants)	£15-£20/day per adult and £10-£15/day per child + certain travel expenses
<b>Discretionary payments</b>		
<b>Failure to deliver services</b>	A service paid for as part of the service charge is not provided for more than 10 working days.	Value of service not received
<b>Room/s or service/s out of use</b>	Room(s) or service(s) are out of use for specified time periods (see section 3.4 for time limits and tapers of payment amounts linked to rent)	20%-100% of rent after various time periods, dependent on the problem
<b>Appointments missed</b>	Pre-arranged appointment not kept, and the customer is not informed of the change at least 24 hours in advance	£25 for a missed appointment + missed 2 <sup>nd</sup> appointment, up to £100

## 14 Equality and diversity

- 14.1 We are committed to ensuring that no person or group of persons will be treated less favourably than another person or group of persons and will carry out our duty with positive regard for the following core strands of equality; Age, Disability, Gender, Race, Gender Reassignment, Sexual Orientation and Religion and/or Belief, Civil Partnership, Marriage, Pregnancy and Maternity.



- 14.2 We also recognise that some people experience disadvantage due to their socio-economic circumstances, employment status, class, appearance, responsibility for dependants, unrelated criminal activities, being HIV positive or with AIDS, or any other matter which causes a person to be treated with injustice.
- 14.3 We will ensure that all services and actions are delivered within the context of current Equality legislation. Staff and others with whom we work, will adhere to the central principles of the Equality Act (2010).

## 15 Roles and responsibilities

- 15.1 The following table details approval limits for compensation amounts:

Position	Authority level
Officer	Authorised to offer redress or remediation action up to the value of £250, per customer.
Team Leader	Authorised to offer redress or remediation action up to the value of £750, per customer.
Manager	Authorised to offer redress or remediation action up to the value of £2000, per customer.
Head of Service	The Head of Service must be consulted to authorise redress or remediation action over £2000, who will also inform the relevant Executive Director.

\*If approval limits for specific roles are lower than the above table then those apply.

## 16 Monitoring and reporting

Performance Indicator	Reported to	Frequency
Review amount of compensation and discretionary payments paid overall, and by service area, and trends over time.	Performance Committee, Resident Panel, Members Responsible for Complaints (MRC)	Annually

## 17 Toolkit documents

Name of document	System
Compensation request form (sent to Finance)	DocuSign

## 18 Governance

<b>Procedure Owner</b>	Assistant Director, Customer Experience, Insights and Partnerships
<b>Parent policy</b>	Complaints Policy
<b>Associated policies and procedures</b>	<ul style="list-style-type: none"> <li>Complaints and feedback policy and procedure</li> <li>Repairs Policy</li> <li>Decants policy and procedure (for home loss compensation payments)</li> <li>Vulnerability Policy</li> </ul>
<b>Legislation and regulation</b>	<ul style="list-style-type: none"> <li>The Regulator of Social Housing (RSH) Transparency, Influence and Accountability Standard – On complaints, get the basics right. Act swiftly and, where justified, address the failings identified, offer redress and learn more broadly from what went wrong.</li> <li>The Housing Ombudsman Complaint Handling Code</li> <li>Housing Ombudsman Guidance on Remedies</li> </ul>

	<ul style="list-style-type: none"> <li>Section 99a of the Housing Act 1985 (amended by Section 122 of the Leasehold Reform Act 1993) compensation is payable for improvements made by the customer where the life of the improvement work is not expired at the end of their tenancy</li> </ul>
<b>Approved by</b>	Assistant Director, Customer Experience, Insights and Partnerships
<b>Endorsed by</b>	Assistant Director, Customer Experience, Insights and Partnerships
<b>Date approved</b>	15/05/2025
<b>Date effective</b>	15/05/2025
<b>Review date</b>	April 2028