Housing Compensation Policy

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1. Introduction

1.1 We aim to provide excellent customer service but recognise that sometimes things can go wrong causing inconvenience or loss for residents. This policy sets out our approach to compensation for our tenants and leaseholders. The policy takes account of guidance provided by the Housing Ombudsman and will be regularly reviewed, taking account of good practice.

1.2 The policy explains the circumstances in which compensation, refunds and reimbursement payments are awarded. It works alongside the Council's Complaints policy to resolve complaints fairly and consistently.

1.3 Many remedies are available to put a situation right, and we may take actions either separately from, or in conjunction with compensation. This could include apologising, providing services wrongly denied or withdrawn, or a review of processes to avoid repeating mistakes.

2. Aims and objectives

2.1 The policy aims to:

- Make it clear the circumstances where compensation will be paid.
- Ensure a fair, consistency and proportionate approach to calculating compensation.
- Provide guidance on how and when compensation can be claimed.

2.2 In carrying out our aims, we will:

- Take account of individual circumstances, consider each case on its own merits and provide scope for discretion and common sense to be applied.
- Ensure remedies made seek to put the resident back in the position they would be in had the fault not occurred, as far as reasonably possible.
- Make the process of assessing compensation as simple as possible, to minimise customer effort and ensure that claims are assessed and paid quickly and efficiently.
- Enable practical solutions to be explored to address complaints on a case-by-case basis, including resolving any issues that remain outstanding.

3. Scope

3.1 The policy is restricted to the Council's tenants and leaseholders (residents). It covers situations where the Council may consider refunds, compensation, or reimbursement of costs for its tenants and leaseholders following service failure.

3.2 Residents can choose a person to act as their representative. Compensation payments, reimbursements and remedies are made direct to the resident, even if the resident has an advocate recognised by us as acting on their behalf. Payments will not be made to a third party.

3.3 New claims for compensation and/or reimbursement will only be considered within 12 months of the incident.

3.4 This policy covers statutory compensation payments which are set out in law and include home loss payments and disturbance payments. It also covers ex gratia payments where the Council uses its discretion to remedy a situation or failure.

3.5 Payments will not be made for losses which are the responsibility of the resident as set out in the tenancy agreement/lease agreement. Tenants and leaseholders are responsible for arranging their own contents insurance for accidental damage to their belongings. The Council does not indemnify residents for damage to personal belongings and cannot offer to compensate residents for such loss.

3.6 The following types of claims are outside the scope of this policy.

- Leaseholders' claims from the council's building insurance resulting from unexpected events such as a storm, flood, fire etc.
- Personal injury claims
- Claims for breach of GDPR (data protection law) or suspected GDPR

3.7 Where a debt is owed to the Council (e.g., arrears or service charges), compensation payments will be offset to pay the debt. Any credit remaining can be refunded to the resident. This does not affect reimbursement payments for costs incurred by the resident, or payments awarded by the Housing Ombudsman service.

4. Compensation policy commitments/principles

4.1 We will take individual circumstances into account when making decisions about compensation and/or other remedies. Any offers will be clearly communicated to the resident.

4.2 Financial compensation may not be the most appropriate remedy in all instances. Other options may include an apology, explanation, review of policy and procedures, training for staff or another remedial action may also be sufficient.

4.3 The remedy offered will reflect the extent of the service failure and the detrimental impact caused as a result. Factors to consider when assessing the service failure and how this has impacted the resident will include individual's circumstances including any vulnerability, the length of time that the complaint covers and the severity of the service failure.

4.4 Vulnerable residents, in line with our Vulnerable Residents & Reasonable Adjustments Policy, are defined as *"Residents who, due to their personal characteristics, circumstances or life experiences are either currently, or* *permanently, less likely to achieve equal access to landlord services, or equal outcomes when accessing those services."* We recognise that vulnerable residents can be disproportionately impacted by service events.

5. Circumstances in which compensation will be issued

5.1 There are three types of compensation payment that are covered under this policy:

- **Mandatory payments** (such as statutory home loss payments)
- **Quantifiable loss payments** (where tenants and leaseholders can demonstrate actual loss)
- **Discretionary payments** (for time and trouble/distress and inconvenience)

6. Mandatory payments

6.1 These are payments which the Council is legally obliged to make and where the Council has no discretion over the amounts awarded. They include payments such as disturbance payments, home loss payments, Right to Repair and Right to Improve payments.

6.2 **Disturbance Payments** are statutory payments under the Housing Act 1985 (Part II, Section 26) the Council has discretion to give financial assistance towards tenants' removal expenses.

6.3 **Home Loss payment** is a statutory payment made to tenants or owner-occupiers who have lived in their property for a minimum of 12 months and are required to move home permanently because of redevelopment or demolition of their home. Payment is only payable where a displacement (move) is compulsory.

6.4 **Right to Improvement** payment is for Secure Council tenants who are approaching the end of their tenancy for previously approved 'qualifying improvements' they have made to the home. The compensation is only paid for specific types of improvements and can only be claimed at the end of the tenancy. Flexible tenants do not have a statutory right to make improvements or receive compensation for improvements made.

6.5 **Right to Repair** is a statutory compensation scheme which enables residents to have repairs listed in the legislation which cost no more than £250 completed quickly. The repairs included in the scheme are likely to affect the health, safety, or wellbeing of residents in addition to ensuring repairs are completed quickly, the scheme sets out compensation for delays where qualifying repairs have not been carried out within the prescribed timescale.

6.6 The legislation which permits these payments are as below:

- Land Compensation Act 1973
- Housing Act 1985

- Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994
- Housing Act 1988
- Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994

7. Quantifiable loss payments

7.1 Examples of quantifiable loss could include: 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. This should come with a caveat that any such costs must have been reasonably incurred and evidence of such loss has been provided.

8. Discretionary payments

8.1 The Council has discretion to offer remedies for service failures. These are wide ranging and seek to put the resident back in the position they would be in had the fault not occurred.

8.2 Table One sets out several discretionary areas where the policy includes standard amounts for frequently occurring minor service failures which may not have had a significant impact on a resident such as a missed appointment.

9. When compensation may not be considered

- The loss or damage was caused by you, another household member or visitor to your property. This includes failure to report a repair promptly or to keep an appointment.
- The fault was unforeseeable and/or caused by a third party or Hillingdon Council had no control over it, such as water leaking from a neighbouring property (unless we had already been alerted to this and had not resolved it promptly)
- Personal possessions are lost, stolen or damaged through no fault of Hillingdon Council or its contractors.
- Loss of supply of gas, electricity or water that is outside of Hillingdon Council control, such as a failure by the utility provider.
- Delays to repairs due to the need to obtain spare parts that we would not expect a contractor to have in stock and where residents have been kept informed of the timescales involved.
- Extra and unforeseen work is required, and the contractor has kept residents informed of the timescales involved.
- Claims for loss of earnings to provide access for repairs or other services.
- Claims from sub-tenants of leaseholders. Any claim must be made by the leaseholder and compensation is paid to the leaseholder.
- Circumstances beyond our control e.g. storm damage or flooding from extreme weather.

- Delayed repairs to the communal areas of a building, except where the resident can demonstrate an impact on them. E.g. lift breakdown where there is no access to an alternative lift and a resident has restricted mobility.
- Damage caused to a resident's possessions due to negligence on behalf of the Council or its contractors. These claims should be submitted as public liability claims.

9.1 Assessing the impact of a service failure and vulnerability

9.2 The Housing Service assesses vulnerability on a case-by-case basis, considering all of a resident's needs and their circumstances. In line with our Vulnerable Persons and Reasonable Adjustments Policy, vulnerable residents are defined here as; *"Residents who, due to their personal characteristics, circumstances or life experiences are either currently, or permanently, less likely to achieve equal access to landlord services, or equal outcomes when accessing those services."*

9.3 When assessing compensation payments, the Council will consider what impact a service failure has had on a resident and their household, considering any relevant vulnerabilities. This includes whether a vulnerability has made it harder for the household member to cope compared to others. It is therefore important that residents are asked for this information as part of their complaint.

9.4 Examples of vulnerability where a resident may have been disproportionately impacted because of their vulnerability and where additional compensation maybe awarded because of the impact caused may include:

- Poor management of anti-social behaviour where a complainant has a mental health condition may make the situation harder to cope with.
- Residents with young children who experience an extended period in temporary accommodation because of repair delays, causing significant inconvenience and upset.
- Delayed repair response/completion may have a disproportionate impact on a resident because it impacts a health condition/disability).

10. Remedy summary table

	Category	Level of Compensation
1.	Missed appointments where we or our contractor fail to attend an agreed appointment, arrive late to an appointment by 2 hours or more, or cancel an appointment giving less than 24 hours' notice.	£20 per appointment
2.	As a result of 1 above, where a resident can demonstrate loss of earnings, we will at our discretion, compensate up to the limit for loss of	From £32.47 for partial earnings loss up to £64.95 for a full day's lost earnings (as at July 2025)

	earnings using the established jury duty rate. The resident will need to demonstrate that they cannot work from home, no other household member could reasonably have provided access, and it was necessary to book a full day off work for the day of the appointment.	
3.	Failure to deliver a service to published service standards causing minimal damage	£10 to £50
4.	Failure to complete repairs within target timescales	£10 + £2 per day up to a maximum of £50
5.	Reimbursement of heating and hot water charges following a service breakdown of more than 3 days where the charge for heating and hot water is included within a service charge	Reimbursement of the equivalent weekly heating and hot water charge for the period the service is down following the 3 day trigger
6.	Reimbursement of increased electricity costs due to use of a temporary heater usage	£2.50 per heater, per day
7.	Reimbursement of increased electricity costs due to the need to boil water due to breakdown of a boiler	£2 per household member per day
8.	Reimbursement of increased electricity costs due to use of a dehumidifier	£3.50 per unit, per day
9.	Reimbursement of costs following loss of cooking facilities – where alternative accommodation is not offered the Council will offer reimbursement of costs of purchasing prepared food at standard rates per household member.	£15.00 per adult per day £10 per child (under 12) per day
10.	Loss of electricity and/or lighting affecting one or more rooms	£5 per day after 2 days of the repair being reported for loss of lighting/electricity to the whole property. £10 per week paid after the first full week from the date reported to the Council where there is partial loss of lighting/electricity.

11.	Lift failure Where a lift is unavailable for more than 7 consecutive days and residents do not have access to another lift in the block.	£1 per day for each day after the first 7 consecutive calendar days failure (inclusive of the initial 7 days e.g. eight consecutive days of failure would result in a payment of £8. A higher rate of £2 per day will be considered for those deemed vulnerable due to mobility issues.
12.	Minimal impact complaints Where a resident has just cause to complain and has suffered minimal inconvenience the Council may make an offer of compensation in recognition of the failure to perform.	£10 - £50
13.	Complaints Handling e.g. response outside of the Ombudsman timescales where the resident has not been kept updated, failing to address all points of concern at complaint stage resulting in the need to submit a further complaint.	From £20
14.	Part use of property.	The Council may refund a proportion or all of the rent where a tenant can demonstrate loss of a habitable room, amenity or service which is the responsibility of the Council and the target deadline has passed

11. Financial compensation award framework, ‘offset’ and approval

11.1 We will offer higher level payments when the impact has been more significant. We classify these payments as low, medium, high, severe impact and we determine the compensation amount based on the following levels. These payments have considered amounts set out by the Housing Ombudsman in relation to their own complaint remedies. The bands of low, medium, high, and severe below reflects the financial compensation award for each finding rather than the total amount for the case.

11.2 **Low Impact (Awards from £50 to £100)** – Compensation in the range of these amounts may be used for instances of service failure resulting in some impact on the resident. We recognise that there has been service failure which has had an impact on the resident but was of low impact, short duration and caused minimal, low inconvenience, and minimal distress. Overall, the circumstances have not significantly affected the outcome for the resident. E.g. a moderate delay in carrying out a routine repair, instances where there has been failure to reply to letters or return phone calls etc. but the impact is no greater than a reasonably tolerant person could be expected to accept.

11.3 **Medium Impact (Awards of £100 to £600)** – Compensation in this range may be for cases where we recognise that there has been service failure which has had an impact on the resident and caused a moderate degree of inconvenience or distress but no permanent impact. A repeated failure of the Council or contractors to address the shortcoming, even of a low impact event, could also give rise to consideration of a medium impact level of compensation. An example of this could be a significantly delayed repair such as a blocked toilet which has resulted in distress and inconvenience, and where the resident has had to chase responses and seek corrections of mistakes that has required multiple visits over an extended time before the repair is fully rectified.

11.4 **High Impact (Awards of £600 to £1000)** – Compensation in the range of these amounts is used in recognition of a significant failure in service resulting in a significant impact on the resident including physical or emotional impact, or both. An example of this is a service failure that has gone on for a long period of time, with a lack of action to address the issue such as an ongoing leak that has significantly worsened over time and has caused avoidable damage to the property which has impacted on the quality of the living environment. In addition, the resident may have been required to stay in temporary accommodation.

11.5 **Severe Impact (Awards of £1000 and over)** - Compensation in the range of these amounts recognises there have been serious failings which have had a serious detrimental impact on the resident. The redress needed to put things right recognises this is at a higher end, from £1000 and over.

11.6 **Offset** against monies owing to the Council must not take place where the compensation has been awarded by the Housing Ombudsman following a formal investigation and determination. In other cases, where discretionary compensation has been awarded under this policy, the Council can attempt to offset all or part of the compensation due. However, offset must not be attempted [unless the tenant expressly agrees] in circumstances where:

- Arrears of rent are in dispute.
- The arrears are the direct result of the landlord’s own poor service (e.g., they failed to process housing benefit properly).
- The compensation is to cover 'out of pocket' expenses incurred by the tenant
- It is a statutory payment, such as "Home Loss" or "Disturbance" payments.

11.7 **Authorisation** of discretionary awards of compensation up to £500 must be authorised by the manager [Grade POD or above]. Payments exceeding £500 must be authorised by a Head of Service or more senior manager. Severe impact awards i.e. payments of £1000 and over, must be authorised by the Corporate Director.

12. Claiming compensation and making a complaint

12.1 Residents should follow our complaints procedure when wishing to seek a remedy such as compensation because of a service failure. Residents should provide the details of what went wrong and what the impact was on them. Each case will be considered on its own merits to ensure the most appropriate remedy is offered. For further details of the Council's complaints policy and process follow this link: [Complaints - Hillingdon Council]

12.2 Where the Council is aware of a significant service failure affecting multiple properties, it may, at its discretion, offer compensation to those affected without the need for residents to make individual claims.

12.3 Compensation will be signed off by a service manager at the level appropriate to the compensation awarded.

13. Timescales

13.1 Where payment has been agreed, the Council will aim to make payment within 20 working days unless there are particular circumstances requiring further investigation.

14. Appealing a compensation award

14.1 If a resident is dissatisfied with the outcome of a complaint and compensation award, they can appeal by escalating their complaint to the next stage of the complaints process. The resident can also escalate the matter to the Housing Ombudsman.

14.2 The Housing Ombudsman can order the Council to pay compensation if following their investigation, they find evidence of a service failure which has not been put right by the Council. For more information on The Housing Ombudsman residents can visit www.housing-ombudsman.org.uk

15. Equality, diversity and inclusion

15.1 We will complete an Equality Impact Assessment to consider the positive and negative impacts this Policy may have on people with protected characteristics under the Equality Act 2010. We want to demonstrate that implementation of this policy presents no barriers to accessing the service/process or unintentionally disadvantages "any protected group". We aim to ensure that all residents can achieve an equitable outcome and that compensation payments reflect impact.

15.2 When required, Council Officers, as part of our approach to offering reasonable adjustments, will assist residents in making a claim for compensation by, for example, helping to complete paperwork or offering translation services.

16. Communication

17.1 We will provide information on this policy using a variety of methods and approaches.

17. Data Protection

17.1 Where information needs to be shared with our staff and partners to resolve a complaint or to deal with a compensation award, this will be in line with data protection requirements, including:

- Data is processed lawfully, fairly and in a transparent manner.
- Data will only be stored in line with our retention and destruction policy
- Data is collected for a specific and legitimate purpose and not used for anything other than this stated purpose.
- Data is relevant and limited to whatever the requirements are for which the data is processed.

We will comply with our obligations under relevant data protection legislation and regulations. We will process and store personal information securely.

There are some circumstances in which we are required by law to disclose information given to us. We will normally discuss this with the party giving us the information, but this may not always be possible.

For further information on the Councils responsibilities for data protection can be found here: Data protection - Hillingdon Council

18. Financial Controls

18.1 The Council are required to comply with financial legislation and regulations around antifraud and money laundering when processing financial transactions. Refunds of rent and service charges will be made direct to that rent and service charge account.

18.2 Compensation payments will be made directly to residents. We will ask for the sort code and account number to make the payment.

19. Training

19.1 We will provide all staff responsible for implementing this policy with comprehensive training on assessing compensation. We will ensure that the approval process is sufficiently robust to ensure compliance with this policy. In addition, staff guidance and training on lessons learnt from previous claims will form part of our commitment to ongoing service improvements.

20. Monitoring, learning and transparency

20.1 We will use the learning from compensation cases and complaints to continuously improve our service to our residents.

20.2 We will introduce key performance indicators associated with our payment of compensation which will support our learning and approach to transparency.

20.3 We will provide reports on discretionary and quantifiable complaint related compensation payments on a monthly and quarterly basis. This will include any awards made by the Housing Ombudsman to tenants. Using key performance indicators, these reports will be shared with tenants via the established engagement and empowerment structure and through our wider governance structure. This will include the number and values of payments by service area and will distinguish those payments ordered by the Housing Ombudsman.

21. Accessibility

22.1 We will ensure that tenants' needs are considered when implementing this Policy to ensure that they are treated fairly. We will make appropriate arrangements to ensure that customers with distinct communication needs are not unreasonably and disproportionately affected. This could involve providing communications in alternative languages or formats or providing interpretation or transcription as appropriate.

22. Reviewing our policy

23.1 A review of this policy will be undertaken every three years or sooner if considered necessary to update values, incorporate legislative, regulatory requirements or direction from the Housing Ombudsman and best practice developments.

23. Related policies

Complaints Policy
Vulnerable Tenants and Reasonable Adjustments Policy
https://pre.hillingdon.gov.uk/site-search/results/?q=vulnerable+residents+and+reasonable+adjustments+policy
Data Protection Policy
Retention and Destruction Policy

Governance			
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Policy Author:	Housing Project Delivery Manager		
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