

Compensation Policy

Title	Compensation Policy
Date Last Approved	8 September 2026
Next Review Date	31 September 2029
Responsible Officer	Temi Awolaja
Approver	Service Committee
Applies to	General Needs Social Tenanted; Shared Ownership

This policy should be read and applied in conjunction with our Complaints Policy, and where relevant, our Unacceptable Behaviour Policy. It is written following Guidance from the Housing Ombudsman Service (HOS). Should a formal complaint be escalated to the HOS, they will review, as part of their investigation, whether this policy (and any others relevant to the complaint case), have been followed and applied fairly.

The aim of this policy is to provide a fair and consistent approach to awarding compensation and other remedies where residents have experienced a service failure, unreasonable action, delay, or omission by CDS.

Where possible, the purpose of a remedy is to restore the resident to the position they would have been in had the service failure not occurred.

1. Introduction

We recognise that meeting residents' expectations and delivering high standards of service is essential. The fair and proportionate handling of claims for compensation is therefore a priority. We are committed to providing a high-quality service and all staff and contractors are trained to work towards this aim. However, we accept that occasionally, mistakes and oversights will occur. Where compensation is approved, CDS will normally arrange payment within one calendar month of the decision being made.

We retain the right to offset compensation payments against any arrears on the claimant's rent account, where arrears are not a result of benefit payment dates. We will not make compensation payments against arrears balances where an arrear is a result of our service failure, where we are compensating for "out of pocket" expenses, or where we are making a statutory Home Loss or Disturbance payment.

CDS may consider compensation whether or not it has been specifically requested by a resident. Where a service failure has been identified, we may proactively offer compensation or another appropriate remedy where we consider this fair and proportionate.

1.1 Principles of Compensation

In considering remedies and compensation, CDS aims to:

- Put things right when service failures occur.

- Recognise the impact our actions or omissions may have had on residents.
- Provide fair and proportionate remedies.
- Learn from complaints and service failures to improve services.
- Consider residents' individual circumstances and vulnerabilities.

1.2 Remedies and Compensation

In accordance with the Housing Ombudsman's Complaint Handling Code, CDS will seek to put things right at the earliest opportunity. Remedies may include practical actions, apologies, reimbursement of expenses, service improvements, financial redress, or a combination of these measures, depending on the circumstances of the case.

- 1.3** When determining an appropriate remedy, CDS will consider the resident's preferred outcome wherever reasonable and practicable to do so.
- 1.4** Compensation is only one form of remedy and will not normally be offered in isolation where further action is required to resolve the underlying issue. Each case will be considered on its own merits, taking into account the nature of the service failure, the impact on the resident, and any actions taken by CDS to rectify the situation.
- 1.5** CDS will have regard to the Housing Ombudsman's Compensation Guidance and Remedies Guidance when determining appropriate remedies and compensation awards. Where the Housing Ombudsman issues updated guidance, indicative awards or specific compensation orders, CDS may take these into account when assessing redress.

2. Compensation

There are different types of compensation. Those required by law, and those that can be made at our discretion.

2.1 Compensation Required by Law:

2.1.1 Home Loss

Home loss payments are made to residents or owner occupiers who have lived in their home for 12 months or longer and are required to move permanently because of redevelopment or demolition of their home. This payment is the statutory amount set by the Government and can be found [here](#).

2.1.2 Disturbance

Disturbance payments may be made to people who are required to move to another property temporarily; or to people who have lived in a property for less than 12 months and are required to move permanently. This payment is for reasonable moving costs. These will be agreed with you before any move.

2.1.3 Improvements

Eligible tenants may be entitled to statutory compensation for certain qualifying improvements carried out to their home, provided the appropriate permission was obtained where required and the statutory eligibility criteria are met. The tenant must prove that the amount claimed is reasonable. Compensation is calculated in accordance with the statutory scheme, taking into account the original cost of the improvement, its prescribed lifespan and the time elapsed since the work was completed. The maximum compensation payable is £3,000. Claims must be made in writing no earlier than 28 days before the tenancy ends and no later than 14 days after the tenancy has ended.

2.1.4 Payment for Damage to Property or Belongings

In general terms it is our responsibility to insure the building. It is a resident's responsibility to insure their own contents. Where items have been lost or damaged and we do not deem we are liable for that damage, we will recommend one of two routes:

- A resident can make a claim with their own contents insurance company. This will often be faster although there will be an excess payment due for the resident. Their insurer will investigate the claim and we will provide any evidence requested as part of that process. If the claim finds in favour of the resident, we may, at our discretion, compensate the value of the excess payment up to a maximum of £500. This will be paid direct to the resident and not offset against any arrears balance, as it is an out of pocket expense.
- Alternatively, a resident can make a claim through our own insurers for the cost of lost or damaged items. Our insurer will handle this claim on our behalf and lead the investigation independently. We will provide any evidence requested as part of that process.

The existence of an insurance claim does not prevent CDS from investigating a complaint about service failure or considering remedies within the scope of this policy.

Where there is clear evidence that items have been damaged by us or our contractors, we will consider a compensation claim at our discretion.

2.1.5 Personal Injury Claim

Any resident seeking compensation for personal injury will be directed to make an insurance claim to our insurers, who will investigate independently to determine any liability or negligence on our part.

2.1.6 Quantifiable Financial Loss

CDS may reimburse residents for reasonable and evidenced financial losses incurred as a direct result of a service failure by CDS. This may include out-of-pocket expenses or other unavoidable costs that would not otherwise have been incurred. Residents will normally be required to provide evidence of the loss, such as receipts, invoices or other appropriate documentation.

Where documentary evidence is not reasonably available, CDS may consider other forms of evidence and determine, on the balance of probabilities, whether a loss was incurred and what would constitute fair redress. Examples may include additional utility costs, travel expenses, temporary accommodation costs, replacement items, food costs or other reasonable expenses incurred as a direct result of a service failure.

2.2 Discretionary Compensation Payments

Discretionary compensation may be awarded where a resident has experienced a negative impact as a result of a service failure by CDS.

There is no automatic right to discretionary compensation, and any award will be determined based on the individual circumstances of each case.

2.2.1 Circumstances Where Compensation May Be Considered

Compensation may be offered where:

- we have failed to deliver a service to the required or published standard;
- we have delayed unreasonably in providing a service;
- we have failed to communicate appropriately with a resident;
- we have failed to follow our policies or procedures;
- complaint handling failures
- a resident has incurred reasonable expense as a result of our actions or omissions;
- repeated missed appointments by CDS or its contractors have caused inconvenience, wasted time, or avoidable expense;
- a resident has experienced distress, inconvenience, time and trouble as a result of our service failure.

2.2.2 Type of Discretionary Compensation

Discretionary compensation may include:

- **Distress and Inconvenience:** recognition of the non-financial impact of a service failure.
- **Time and Trouble:** recognition of the time and effort spent pursuing a matter that should have been resolved earlier.
- **Loss of Amenity or Loss of Use:** compensation may be awarded where a resident's use or enjoyment of all or part of their home is reduced as a result of a service failure. This may include the loss of use of a living room, bedroom, kitchen, bathroom, WC, or other part of the property for its intended purpose. CDS may assess compensation by reference to the rent charged and the proportion of the property affected, taking account of the Housing Ombudsman's Compensation Guidance. Further details of the calculation methodology and applicable percentages are set out in the Compensation Procedure.
- **Complaint Handling Failure:** recognition of shortcomings in the handling or investigation of a complaint.

- **Goodwill Payments:** a discretionary payment made to acknowledge a resident's experience or assist in resolving a matter. Goodwill payments do not constitute an admission of liability or negligence.

2.2.3 Complaint Handling Failures

Where CDS fails to comply with its Complaints Policy or Complaint Handling Code obligations, compensation may be considered.

Examples include:

- unreasonable delays in responding to complaints;
- failure to meet complaint response timescales;
- failure to keep residents informed;
- failure to investigate issues adequately;
- unnecessary escalation of complaints due to shortcomings in complaint handling.

2.2.4 Guidance for Complaint Handling Compensation

Compensation for complaint handling failures will be assessed separately from compensation awarded for the underlying service issue to avoid duplication.

The following guidance may be used:

Level of Impact	Impact on resident	Likely associated finding	Indicative redress
Minimal Impact	Short duration, resulting in minimal inconvenience, time and trouble. The complaint handling failure did not affect the overall outcome for the resident.	Service failure	Apology and learning
Low	Short duration and may not have affected the overall outcome for the resident. May include distress, inconvenience, time and trouble, disappointment, loss of confidence, and minor delays in addressing the complaint.	Service failure	Up to £50, apology and learning
Moderate	No permanent impact. Complaint handling failure that adversely affected the resident. Complaint handling failure that adversely affected the resident, including failure to put matters right, repeated delays, poor communication.	Maladministration	Up to £100, apology and learning
Significant	Complaint handling failure with a substantial physical and/or emotional impact on the resident, prolonged	Maladministration/ severe maladministration	Up to £250, apology and learning

	delays affecting resolution of the complaint, or actions that seriously undermined the complaint process.		
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These amounts are indicative only and may be adjusted to reflect the individual circumstances of the complaint.

2.2.5 Factors Considered When Assessing Compensation

We recognise that the impact of a service failure may vary between residents. Disability, physical or mental health conditions, age, caring responsibilities, communication needs, financial hardship, and other vulnerabilities may increase the impact of a service failure. The Housing Ombudsman refers to these as "aggravating factors", and CDS will take these factors into account when determining an appropriate remedy and level of compensation.

In some cases, the nature of the service failure may place a complaint within a particular compensation range, but the number, duration or cumulative effect of the failures may justify a higher award. Compensation will be assessed on the individual circumstances of each case, including any aggravating or mitigating factors.

When determining an appropriate compensation award, CDS will consider:

- the severity of the service failure;
- the length of time the issue remained unresolved;
- the number of service failures involved;
- the extent to which the resident had to chase the issue;
- whether complaint handling failures also occurred;
- any distress, inconvenience, time and trouble caused;
- any financial loss incurred;
- whether there were health, wellbeing, safety or security implications;
- whether vulnerabilities increased the impact;
- whether reasonable adjustments were required and whether they were provided effectively;
- actions taken by CDS to resolve the issue;
- whether the resident contributed to any delays or difficulties in resolution

Where a resident's actions or inaction contributed to the circumstances giving rise to the complaint, this will be considered as a mitigating factor when determining an appropriate remedy. Such circumstances may reduce the level of compensation awarded but will not automatically prevent compensation from being considered.

2.2.6 Guide to Discretionary Compensation Amounts

The compensation amounts set out in this policy, including any indicative awards published by the Housing Ombudsman, are provided as guidance only and do not represent minimum or maximum awards. CDS will consider the individual circumstances of each case, including the impact on the resident and any cumulative service failures, and may award a higher or lower amount where this is fair and proportionate.

Level of Impact	Examples	Suggested Amount(s)	Likely associated finding
Minor	Minimal impact over a short duration where the issue was resolved quickly. May not have significantly affected the overall outcome for the resident. Likely to include minor distress, inconvenience, time and trouble, disappointment, loss of confidence, or short delays in resolving the issue(s)	£25 to £100	Minor service failure not acknowledged, or resolved in the first instance, but impact was limited
Moderate	Noticeable impact on the resident due to avoidable delays, repeated chasing, inconvenience or distress. The issue took longer than expected to resolve, but the impact is not permanent.	£100 to £600	A service failure or maladministration which has adversely affected a resident, and we have failed to put it right within a reasonable timeframe.
Significant	Significant impact including substantial distress, temporary loss of use of part or all of the home, displacement, prolonged disruption or significant delays in resolution, or loss of amenity.	£600+	Serious failings that could result in maladministration, with serious impact on the resident. We have repeatedly failed to resolve the issue(s). The issue(s) have been ongoing for a significant period of time.
Severe	Serious physical or emotional impact, long-term loss of amenity, repeated failures over a prolonged period, severe detriment to the resident, or severe maladministration.	1,000+	Serious or repeated failures with severe long-term impact requiring substantial redress.

2.3 Exclusions to Compensation Payments:

Below are the circumstances in which we will not consider a compensation payment:

- We do not pay compensation for loss of earnings. Exceptions may be considered where an evidenced financial loss has been incurred directly as a result of a service failure by CDS.
- We do not pay claims for personal injury. Claims for personal injury will be referred to our insurers in accordance with section 2.1.5.
- We do not pay claims for damage caused by circumstances beyond a landlord's control, for example through storm or flooding.
- We do not pay for problems caused by a third party not working for us.

- We will not normally award compensation where the loss, inconvenience or detriment arises solely from a resident's personal preference rather than from a service failure by CDS.
- Compensation will not normally be payable where the loss or detriment arose entirely as a result of a resident's actions or inaction. Where a resident's actions or inaction contributed to, but were not the sole cause of, the loss or detriment, this will be treated as a mitigating factor when determining a fair and proportionate remedy. This includes circumstances involving criminal activity by the resident.
- Where a resident has paid a service charge for a service that CDS has failed to provide, we will consider an appropriate refund, adjustment and/or compensation having regard to the service charge paid, the duration of the service failure, and the impact on the resident.

3. Making a Claim for Compensation

3.1 Requests or claims for compensation will usually be made as part of a formal complaint. In each complaint case, compensation will be considered in line with this policy.

Where a resident requests compensation outside the complaints process, CDS will determine whether the matter should be managed as a complaint, insurance claim, compensation claim, or a combination of these.

3.2 If a compensation claim should be referred to insurers as a negligence or liability claim, we will detail this process to the resident, acknowledging the insurer's timescales for response. The existence of an insurance claim will not prevent CDS from investigating any associated complaint or considering remedies for service failure in accordance with this policy.

3.3 All compensation will normally be credited to a rent or service charge account by default. Where there are outstanding rent or service charge arrears (excluding arrears arising solely as a result of Universal Credit payment schedules), compensation will normally be used to reduce the arrears balance. Where there are no arrears, the resident may request payment of any credit balance by BACS transfer.

3.4 Compensation awarded for quantifiable financial loss, reimbursement of out-of-pocket expenses, statutory Home Loss Payments, statutory Disturbance Payments, circumstances where arrears have arisen as a direct result of a service failure by CDS, or where the Housing Ombudsman has directed how compensation should be paid, will normally be paid directly to the resident and will not be offset against arrears.

3.5 In order to process a payment request, the resident must provide:

- The name of their bank
- The account and sort code numbers
- Their name as it appears on the account.

3.6 Where compensation is being paid as a result of a formal complaint, and where that complaint has been made by an advocate on behalf of our resident, the compensation payment must go to the resident and may not be paid into the bank account of the advocate.

3.7 Time Limits for Claims

Claims for compensation should normally be submitted within 12 months of the incident or service failure. Claims submitted outside this period may be considered by the Operations Director where there is a reasonable justification for the delay.

4. Right to Appeal

Where a resident is dissatisfied with a compensation decision made as part of a complaint, they may request escalation through CDS's complaints process. Following completion of the complaints process, residents may refer their complaint to the Housing Ombudsman Service for independent review. The Housing Ombudsman may determine whether CDS has acted fairly and reasonably and may order compensation or other remedies where appropriate.

5. Equality, Diversity and Inclusion (EDI)

- 5.1** This policy will be applied fairly and consistently to all residents in line with our EDI policy. No person or group of people will be treated less favourably than any other person or group of people on the basis of their protected characteristics or personal circumstances.
- 5.2** CDS will make reasonable adjustments in accordance with the Equality Act 2010 to ensure residents can access this policy, the complaints process and compensation arrangements fairly.

6. Monitoring and Compliance

- 6.1** All claims for compensation will be recorded in our housing management system. Processing claims for compensation will be the responsibility of the manager of the department where a service failure has been recognised.

Authority to determine compensation payments is delegated as follows:

- Departmental manager: Up to £500
- Head of Service: £501- £3,000
- Director: Over £3,000

Compensation awards may exceed these approval limits where required to comply with a Housing Ombudsman order or recommendation.

Managers approving compensation must record:

- the service failure identified;
- the rationale for any compensation awarded;
- how the amount was determined;
- any aggravating or mitigating factors considered; and
- any lessons learned or service improvements identified.

All compensation decisions must be recorded on the relevant complaint or tenancy record.

Where compensation is awarded, managers must consider whether any policy, procedural, training, or service improvements are required to prevent similar failures from recurring. Any learning identified must be recorded, monitored, and implemented as appropriate.

The Resident Services Committee will receive an annual report on compensation awards, trends, Housing Ombudsman determinations, service improvements implemented, recurring themes, and any significant or repeat compensation claims relating to the same service issue.

The Resident Services Committee will review this policy at least every three years, or sooner where legislative, regulatory, or operational changes require.

6.2 Training

We will provide all staff responsible for implementing this policy with training on assessing compensation.

We will ensure that the approval arrangements are sufficiently robust to support compliance with this policy. Staff guidance and learning from previous compensation cases will be used to support continuous service improvements.

6.3 Confidentiality

All data collected and processed as part of this policy will be handled in line with our Data Protection Policy.

6.4 Legislation and Regulation

- Housing Act 1985
- Land Compensation Act 1973
- Landlord and Tenant Act 1985
- Data Protection Act 2018
- Equality Act 2010
- Regulator for Social Housing – Transparency, Influence and Accountability Standard
- Social Housing (Regulation) Act 2023
- Housing Ombudsman Complaint Handling Code (current version)
- Housing Ombudsman Remedies Guidance (current version)

6.5 Associated Policies

- Complaints Policy
- Repairs Policy
- Data Protection Policy
- Unreasonable Behaviour Policy
- Equality, Diversity and Inclusion Policy

- Rent Arrears Policy

6.6 Associated Procedures

- Compensation Procedure
- Unreasonable Behaviour Procedure

Version control

Date	Amendment	Version control
September 2026	Updated and approved by Services Committee	v.3.2
March 2025	Reviewed by SMT	v.3.1
September 2023	Approved by Board	v.3.1
August 2023	Minor changes made following consultation with staff	v.3.1
June 2023	Last review in March 2018 not formerly approved or adopted. Changes made to this version in line with the HOS Complaint Handling Code and Remedies Policy and Guidance. Added in: Exclusions to payments, Making a Claim, Equality, Diversity and Inclusion, and Legislation and Regulation sections. Last review in 2010. Reformatted, new logo and new policy document format Changes to compensation for inconvenience Review of the compensation payments authority	v 3.0
March 2018		v.2.0