COMPENSATION POLICY

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COMPENSATION POLICY

DOCUMENTATION MASTER SHEET

Amendments to this Document are Detailed Below.

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07	02.03.2020	Leaseholder & general public inclusion from section 5.2	02.03.20	FH	N/A
08	04.03.2020	Clarity over Tenant choice for financial redress when being offered compensation payments	12.03.20	FH	Tenant Panel
09	14.06.2020	Minor amendments regarding complaint stages	14.06.20	EB	N/A
10	18.05.2022	Inclusion of reimbursement of insurance excess	09.06.22	LP	Tenant Panel
11	12.09.2022	Change to compensation amount for heaters and dehumidifiers	13.09.2022	EB	ELT

12	03.04.2025	Amendment to discretionary compensation for temporary heating.	02.04.2025	LW	SLT
13	05.03.2025	Full review and amendments made.	07.04.2026	LW/EC	SLT

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1. INTRODUCTION

Gloucester City Homes (GCH) is committed to delivering quality services that safeguard high levels of customer satisfaction. This document sets out GCH's Compensation Policy. Its purpose is to ensure that legitimate claims by customers are managed speedily and equitably without dispute or litigation. It sets out the circumstances when **discretionary** compensation, including gestures of goodwill, will be considered by GCH, including as part of a formal complaint, and it also highlights any statutory obligations which may arise under:

- Right to Repair (Right to Repair Regulations 1994 in force from 1st April 1994)
- Right to Compensation for Improvements (Compensation for Improvements Regulations 1994 in force from 1st April 1994)
- Homes Loss and Disturbance Payments (Prescribed amounts) (Under the terms of the Land Compensation Action 1973 as amended) (England)
- Housing Act 1996
- UK Social Housing (Regulation) Act 2023

This policy does not cover claims for personal injury, damage or other loss that requires referral to GCH's insurance company and/or the Customer's Home Contents Insurance Policy.

GCH's approach to compensation aligns with the Housing Ombudsman's Compensation Guidance (2026). The purpose of compensation is to restore the customer to the position they would have been in had the service failure or maladministration not occurred. Compensation is one potential remedy and may be used alongside practical remedies, apologies, service improvements, or a combination of these depending on the circumstances of each case.

GCH accepts full responsibility for detriment caused by contractors working on our behalf, and compensation assessments will reflect this.

2. SCOPE

This policy applies in full to Gloucester City Homes' Customers and also applies to Leaseholders or members of the public from Section 5.2 onwards.

This policy is informed by the Housing Ombudsman's Complaint Handling Code and 2026 Compensation Guidance. Where Ombudsman findings differ from this policy, Ombudsman orders take precedence.

3. LEGAL AND REGULATORY EXPECTATIONS

GCH must comply with statutory requirements regarding compensation for customers in certain situations related to home loss or home improvements, as outlined in section 1. This policy is designed to be consistent with emerging best practice and Ombudsman expectations. GCH will review alignment regularly to ensure compliance.

4. STATUTORY COMPENSATION

4.1 RIGHT TO REPAIR

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Some customers have a statutory 'Right to Repair' which covers specific repairs, known as 'qualifying repairs' as listed in the Right to Repair Regulations 1994 Schedule. A qualifying repair must meet the following criteria.

- The repair must have a prescribed response timescale of either 1, 3, or 7 days unless the customer has requested otherwise.
- The repair must not cost more than £250 to complete; and
- The response time must be taken into account the special needs of the customer, including their health, safety or security.

This statutory Right to Repair scheme gives GCH a second chance to complete the work within the prescribed timescales. If, at the second attempt, it is not carried out within the timescales and the Tenant has informed GCH that the repair has not been done, compensation is payable as follows.

1. A flat-rate payment of £10.00 and
2. £2.00 per day for each day the repair is not completed starting after the second target time has expired and ending on the day on which the qualifying repair is completed.
3. The total compensation payable will not exceed £50.00.

Right to Repair compensation will not be payable if exemptions are identified including missed appointments by the customer or if the repair value exceeds £250.

Compensation will only be payable where work is not completed within the target time provided the customer has advised us that the original work is late; and any delay is not the customer's fault.

If the Tenant owes rent or other liabilities to GCH, the compensation may be used to extinguish or reduce the same with any excess paid to the tenant.

Not all tenants have a 'Right to Repair' compensation – the tenancy agreement will set out whether this right applies.

4.2 RIGHT TO COMPENSATION FOR IMPROVEMENTS

Some Customers have a statutory right to compensation for their own improvements to their home carried out during the course of the tenancy. Under the 'Right to Compensation', when a Customer ends their tenancy, they may claim compensation from their landlord if they have carried out authorised improvements to their home when their secure tenancy ends, this will be agreed as part of authorisation and agreed time period. (e.g. if they transfer to another property owned by GCH, move into accommodation owned by another landlord or purchase their own home).

Customers may carry out small improvements to their home at their own cost. However, the Tenant must receive written permissions from GCH prior to making any substantial improvements that affects the structure of the home or any of its fixtures and fittings.

To be eligible for the Right to Compensation scheme the improvements must be on the list of qualifying items as follows.

Qualifying Improvements	Notional Life

Bath, shower, wash-hand basin or toilet	12 years
Kitchen sink, work surfaces for food preparation, storage cupboards in kitchen or bathroom	10 years
Space or water central heating	12 years
Thermostatic radiator valves	7 years
Insulation of pipes, water tank or cylinder	10 years
Loft or cavity wall insulation	20 years
Draft proofing of external doors and windows	8 years
Qualifying Improvements	**Notional Life**
Double glazing or other external window replacement or secondary glazing	20 years
Rewiring or the provision of power and lighting or other electrical fittings (including smoke detectors)	15 years
Any object which improves security of the dwelling house, but excluding burglar alarms	10 years

To qualify for Right to Compensation for Improvements Tenants must:

- Be a secure tenant, an assured tenant or hold any other tenancy which states they are entitled to a such compensation.
- Have received written consent from GCH for the improvement to be carried out. Consent should be obtained prior to carrying out the improvement, although in certain circumstances the Association may grant consent retrospectively. If retrospective consent is not granted the improvement is ineligible for compensation
- Provide three estimates for the work by reputable contractors and have an estimate agreed in writing by GCH.
- Request compensation from GCH no longer than 14 days after the Tenancy end date and provide sufficient information for GCH to determine the claim.

For those tenancies where improvements by customers are permissible with consent, GCH can impose reasonable conditions when granting consent, although it cannot refuse consent without good reason. Reasonable conditions for the improvement could relate to matters such as the following:

- design
- materials (e.g. complying with British Standards or equivalent)
- standard of workmanship
- use of contractors with particular qualifications
- the Association being given at least three working days' written notice of the commencement of work.

- the Association being given written notice within three working days of completion of the work in order that post inspection can be arranged.
- the Association being allowed access at reasonable times to inspect the property before, during and after completion of the work.
- the 'improving' customer providing the Association with invoices for the improvement work, distinguishing between the cost of materials and labour.

The customer must be in good financial standing with GCH and will be responsible for obtaining any necessary consent, such as Building Regulation approvals. It is also a requirement for the customer to notify GCH in writing when the improvement has been completed so that the date of improvement work can be agreed and the work can be inspected.

Customers can claim compensation for the cost of the materials and employed labour but not for appliances and their own labour. The amount payable can be up to £3,000 for any one improvement, but claims cannot be submitted for improvements that are £50 or less in value.

The amount of compensation payable is calculated considering the depreciation of the improvement. Depreciation is calculated by the cost of the improvement times the number of complete years it has been installed, divided by the notional life. For example, a new kitchen costing £5,000 fitted 5.6 years ago (rounded up to 6 years):

The notional life for a kitchen is 10 years, so there would be 4 years notional life left. We would work out the compensation a customer should be paid, like this:

£5,000 (cost) x 4 (notional life left) divided by 10 (notional life for a kitchen) = £2,000

There is an upper limit of £3,000 compensation for any one improvement. We won't pay any compensation if the amount we owe you is less than £50.

Compensation may be reduced if, in the opinion of GCH:

- the original cost of the improvement was excessive.
- the improvement is of a higher quality and cost than if it had been affected by the landlord; and/or
- The improvement has deteriorated at a greater rate than provided for in the notional life for that improvement.

Compensation for improvements will not be considered where:

- The tenancy is terminated through possession proceedings based on the Tenant's breach of tenancy conditions.
- GCH has issued an Abandonment Notice or a Notice of Seeking Possession
- The tenancy is ending because the tenant is purchasing the property under the 'Right to Buy', as the tenant has the continuing use/enjoyment of the improvement after purchase.
- If a customer changes their home by way of a mutual exchange assignment, as the tenancy is not ended.
- The improvement work was not authorised by GCH or was carried out before 1st April 1994
- The type of improvement work does not qualify for compensation.

When GCH receives notice of a secure Tenant's intention to vacate, it will remind the Tenant that they may be entitled to Compensation for Improvements and that any claim must be lodged during the period of the last 28 days of the tenancy to 14 days after the tenancy ends.

4.2 HOME LOSS AND DISTURBANCES PAYMENTS

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HOME LOSS COMPENSATION

This is paid to some customers who have been permanently displaced from their homes as a result of any improvement or redevelopment by GCH, as stipulated in the Home Loss Payment (prescribed amount) Regulations 2014. Home loss payments may be made to customers or owner-occupiers who have lived in their property for a minimum of 12 months and are required to move home permanently as a result of the redevelopment or demolition of their home. This compensation is paid as a flat rate as set by the Government.. Any outstanding debts or payments due by the customer or owner to GCH, for example rent, arrears, service charges and recharges will be offset against any Home Loss Payment made .

A statutory Home Loss payment is only payable where displacement occurs as a result of the compulsory purchase of the home or a possession order is granted to facilitate redevelopment of the land. Where the customer/s agree to move voluntarily, GCH will consider whether to offer a voluntary home loss payment. A voluntary payment will not be paid where a customer chooses to be permanently rehoused rather than returning to a property once works are complete.

DISTURBANCE PAYMENTS

If we are carrying out major repairs, alterations or improvements to residents' homes and we require the customer to move out temporarily or permanently in order to carry out the works, we will pay disturbance allowances. Such allowances are intended to reimburse the customer for actual and reasonable expenses incurred or allow a notional sum in appropriate circumstances. The effect of the payments will be that the customer will be in no worse or not better a position than they would have if had they not needed to move. The payments will normally include:

a) Permanent moves:

1. Removal contractors' expenses. Up to three quotations may be requested.
2. Disconnection and reconnection of television aerials, telephone, cooker, plumbed-in appliances.
3. A contribution to meet the cost of altering carpets and curtains or providing new ones where it is not reasonable to expect existing ones to be altered.
4. Redirection of post, up to a 3-month period.

b) Temporary moves:

c) Disconnection and reconnection of television aerials, telephone, cooker, plumbed-in appliances both to the temporary accommodation (if applicable) and back to the permanent home.

d) Storage costs, where it is unreasonable to expect some or all the Tenant's possessions either to remain in the permanent home while works are being carried out or to be taken by the resident to their temporary accommodation. Up to three estimates may be requested.

e) Redirection of post; both to the temporary accommodation and back to the permanent home. g) Kennel or Cattery fees.

h) Other reasonable costs with prior approval

i) Subject to reasonable limits, we will meet the cost of temporary accommodation as follows:

1. The full cost of alternative local authority of housing association accommodation; or
2. Bed and breakfast costs, based upon local rates and meal allowances (apart from breakfast); or
3. Where someone chooses to stay with friends or family, a payment to help meet the extra cost incurred by the host household in providing the temporary accommodation; or
4. In extreme circumstances, the cost of hotel accommodation

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If a customer has been notified that they will have to move so that GCH can undertake major repairs/improvements to their home and then is evicted for some other reason (e.g. rent arrears) in advance of the work commencing, no statutory Home Loss Payment or other disturbance allowances will be paid.

If a Tenant has to move in order that GCH can undertake major repairs/improvements to their home, then they will be entitled to disturbance allowance payments as above if the purpose of their moving is so that the works can commence.

Under the Land and Compensation Act 1973, Tenants will be eligible for Disturbance Payment for the reasonable costs of moving from the land. Where the Tenant is carrying on a trade or business (as authorised by GCH), the reasonable cost will include the reasonable loss suffered due to the disturbance caused to that business. GCH will pay disturbance allowance for the following.

- Disconnection and reconnection of appliances and utilities
- Where applicable, removals (including returning to the property)
- Installation of disability aids and adaptations where GCH has failed to find a pre-fitting adapted house for the Tenant.

Tenants who wish to claim Disturbance Payments should provide receipts for the claimed items (estimates cannot be accepted).

GCH will offer discretional Disturbance Payments to cover those moving on temporary basis for both the move to a decanted property and the move back to their substantive property. GCH may also consider the use of Discretionary payments where Tenants have been residing at their property for less than one year and do not qualify for Home Loss Compensation.

5. DISCRETIONARY COMPENSATION

5.1 COMPENSATION FOR ALTERNATIVE HEATING AND/OR DE-HUMIDIFIER

If GCH provides a temporary form of heating following a heating breakdown, we will compensate the customer at the rate of £4 per portable heater per day until normal heating sources are restored.

This compensation does not apply if an alternative heating source is already available at the property, for example, an electric fire.

This compensation does not apply if you have been given permanent alternative heaters by GCH.

Where GCH provides a de-humidifier to aid the drying out of a property following a leak or flood, we will pay compensation of £4 per de-humidifier per day to help cover the additional costs to the occupier.

In the event of a complete loss of heating and hot water, and GCH is not able to rectify within a reasonable timescale, GCH will pay £15 per day until this is restored. In the event of a partial loss (of either heat or hot water) GCH will pay £8 per day for the loss. Payment for a total loss, or heating only loss will not be paid if alternative heating is provided.

In these circumstances, GCH will not offset compensation against any arrears or sub-account debts owed.

5.2 COMPENSATION ARISING FROM A COMPLAINT

We recognise that, at times, the level of service provided may not meet agreed standards, which can cause inconvenience to our customers. In some cases, resolving the issue requires more than an apology or acknowledgement of a procedural error. To ensure fairness and consistency, we have a clear two-stage complaints process in place. This process is designed to handle formal complaints in a structured manner, following best practice and the Housing Ombudsman's guidance, so that issues are addressed promptly and appropriately.

We will offer compensation to someone who has made a complaint to us: and where we feel that financial compensation is justified, given the circumstances. We will also recompense any out-of-pocket expenses which are a direct result of GCH's actions or inaction, where evidence such as receipts can be provided. This does not include any expenses that would otherwise have reasonably occurred.

We may also offer compensation to someone who has suffered distress, annoyance or inconvenience arising from events or circumstances not covered elsewhere in this policy. When considering this, we will consider any vulnerabilities that we are aware of, duration, severity and cumulative impact.

There may be occasions where a service such as a repair that is not covered by our responsibility for repairs may be agreed.

5.3 LOSS OF EARNINGS

We do not provide compensation for any loss of earnings, annual leave, income, or business opportunities resulting from service issues, appointments, repairs or complaints. Our compensation policy is designed to address inconvenience and distress caused by service failures, but it does not extend to financial losses outside our direct responsibility.

5.4 GOODWILL GESTURES

A small payment (usually up to £50) made to maintain good relations between GCH and a customer where inconvenience has been caused by GCH actions or failure to act, which have a low impact. Good will gestures may also include vouchers, practical actions, or services.

5.5 COMPENSATION PAYMENTS

Where it is considered that financial redress is the only viable option, the following guidance will be used to support the decision of the Complaint Investigating Manager or Case manager. A complaint does not need to be raised by a customer for compensation to be awarded.

Impact	None	Minimal	Low	Moderate	Significant/Severe
	£0	Up to £100	Up to £600	£600+	£1000+

Minimal Impact: Where there has been a minor service failure with limited impact on the customer. This may include, but is not limited to isolated issues such as delays in communication, a missed appointment, minor administrative errors, or short delays in responding to enquiries where the issue was resolved quickly and caused minimal inconvenience.

Low Impact: Where there has been a service failure that caused inconvenience or frustration but did not have a lasting impact. Examples may include repeated contact required to resolve an issue, moderate delays in services, failure to follow processes correctly, or complaint handling failures that resulted in avoidable inconvenience to the resident.

Moderate Impact: Where there has been a significant service failure that had a notable impact on the resident's living conditions or wellbeing. This may include prolonged delays in resolving repairs, repeated failures to follow policies or procedures, loss of use of part of the home for an extended period, or situations where the resident experienced considerable distress, inconvenience, or time and trouble in pursuing the matter.

Significant/Severe: Where there has been serious or prolonged service failure resulting in substantial impact on the resident. This may include severe maladministration, long-term loss of essential services or amenities, major disruption to the resident's home or daily life, or situations where the landlord's actions or omissions have caused significant distress or hardship over a prolonged period.

In some circumstances, it might be appropriate to offer a combination of recompense which includes work to a customer's home, quantifiable reimbursement, covering actual evidenced costs incurred or lost, covering additional Compensation Payment, but only if this is acceptable and agreed by the Customer in advance as part of their complaint resolution. Compensation payments are to provide financial redress, and therefore customers who are eligible for a compensation payment can expect this to be a financial payment only.

Payments will be made within 14 working days of the award being made and a completed compensation form completed by the recipient

5.6 Compensation Based on Rent Charged

On occasion, compensation may be awarded due to a service failure that has led to the loss of whole or part of a property. When substantial impairment has occurred and rooms cannot be used for their intended use, we will consider awarding compensation to account for this based on the rent paid over the time period of the service failure. GCH may rely on the evidence of qualified experts to confirm if the loss has occurred. This compensation will not be awarded when alternative accommodation has been provided. When awarding this compensation, GCH will also consider if there are any other factors relevant to the loss, and any associated service failure. Any Calculation of any compensation based on the below will not exceed 100% of the rent charged.

Room	Percentage of Weekly Rent
Living Room	20%
Bedroom	20%
Kitchen	30%
Bathroom	30%
Bathroom where an additional WC is available	20%

5.7 LEASEHOLD INSURANCE EXCESS

The leaseholder buildings insurance policy contains a provision for an excess of £150, for every claim.

In some circumstances, the damage caused within the leaseholder's property is a result of GCH's failure to identify or remedy a repair issue, elsewhere in the building, in a timely manner, meaning a prolonged or sustained impact.

Leaseholders are advised to make an insurance claim, but often, they then claim the excess directly through the GCH policy. That involves an additional insurance claim and a significant workload for GCH staff. In other cases, the damage is insufficient to merit a buildings insurance claim, as the cost of remedial works is less than £150.

To mitigate, GCH will pay up to £150 to the leaseholder, on production of an estimate for works costing less than £150, or confirmation from the buildings insurer that the excess has been deducted from any settlement.

This compensation will not be paid when GCH attend and remedial works are completed promptly, or as soon as possible, without further recourse to repeat visits or the complaints procedure. Unforeseen and spontaneous damage will not be considered for this compensation. A prolonged history of contact with the leaseholder will be evidenced through e-mail and repair history details.

All claims will be verified and signed off by the Leasehold Manager, and countersigned by the Director of Housing Operations, to ensure consistency and transparency.

The expenditure code for these payments is ring-fenced to the Home Ownership cost centre (2554 A80-20).

6. CONSULTATION

Director of Housing Operations, Director of Homes and Sustainability, Property Care Manager and the Homes and Neighbourhood Manager have consulted with, and amendments have been made as a direct result of complaint learnings and outcomes from the Housing Ombudsman.

7. APPEALS

If the customer is not satisfied with the level of compensation awarded, subject to the policy, they can request an appeal of the decision, stating the reasons for this, and the review will be re-evaluated by a manager not involved in the original decision.

If a customer is dissatisfied with the compensation awarded, and the Customer Satisfaction Officer is satisfied that the amount is appropriate, the customer may appeal the decision through the two-stage GCH complaints process.

If the reason for the compensation has not previously been raised as a complaint, then the GCH two-stage complaints policy should be followed before any appeal is considered.

8. MONITORING AND REVIEW

GCH will monitor all compensation payments that are made as part of good financial management (with internal verification checks for all payments that are authorised).

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This policy will normally be reviewed triennially to ensure that it remains fit for purpose, unless an earlier review is required due to regulatory or statutory changes, or other requirements. In addition, the rates of compensation other than those set by the government will be reviewed annually and any changes will be effective from 1st April each year.