



Compensation Policy

July 2024

A Sovereign Network Homes Policy

Sovereign Network Group (SNG) is the trading name of Sovereign Housing Association Limited, which is charitable. Sovereign Network Homes is part of SNG.

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1. Introduction to our Compensation Policy

Complaints are a very important tool to help us improve our services to our residents. We are committed to use both feedback and complaints to help us respond both sensitively, productively, and quickly to our residents. It is also to manage expectations and the relationship between our residents and us and helps rebuild trust in Network Homes.

We always try to get it right first time, but when things go wrong, we will try our best to resolve issues at the first point of contact. If this is not possible, then we have a robust complaints procedure which is intended to give the complainant both as quick an answer as possible, but also how to escalate if they remain unhappy.

When we are first contacted or through our complaints process, there are a variety of ways we can offer remedies and this policy is designed to explain these in a clear and fair way.

2. Aims and Objectives of the Policy

At Network Homes we believe that our service users have the right to:

- Have their views heard
- Receive a good-quality service
- Expect prompt action when our performance is below standard, balanced by the resources we have available

Our staff will be:

- Efficient and sensitive to the needs of service users
- Accessible and clearly identified
- Aware of the day-to-day concerns of our service users

Our procedure will:

- Be easy to access and widely advertised
- Advise service users of the standard of service they should expect a time limit for replying to their complaint and any right of appeal
- Provide a code of practice for handling complaints
- Ensure we monitor complaints
- Ensure we meet our standards

3. Remedies and what we can offer

All complaints and any remedy are considered on a case-by-case basis.

Although financial compensation can be considered, there are many other ways we look at when seeking to put things right. Examples of these are:

- A full and detailed response.
- A promise and action plan to put things right, along with a timescale for completion if possible.
- A commitment to review policies and/or processes.
- Service improvements.
- Training and guidance for staff.
- Additional works not generally within our responsibility, for example decorating.

4. Financial remedies

Network Homes is a social housing provider and so although any financial award is intended to be proportionate to the remedy needed, it will generally be modest.

A financial award is usually designed to put the complainant in the position they would have been had the matter being complained about not happened.

To be able to award compensation, we must have identified where something has gone wrong and the effect this has had on the complainant. This could have been caused by Network Homes or any third party we have employed to complete a task. Examples of where something might have caused a complaint are:

- Taking too long to do something
 - This may be a repair that has fallen outside of expected repairs timeline. More information about this can be found below [Repairs and maintenance | Network Homes](#)
 - Information not being given within our guidelines for responding.
 - Lack of response to communications sent to us.
 - Delay in taking action.
- Not following our own policies or the law.
- Not keeping our promises.
- Giving wrong information.
- Not treating someone fairly.

Examples of the effect this might have had are:

- Not getting a service which a resident/customer is entitled to.
- Suffering a financial loss (not loss of earnings), trouble, upset, inconvenience or an avoidable expense.
- Missed opportunity, an example being not able to apply for something that you were not able to as a result of the issue being complained about.

Please note that in order to be eligible to receive compensation the party involved will need to have passed a complainant eligibility test. For more information please refer to our Complaints Policy.

Where compensation would not be considered

- The complaint is about something subject to confirmed court action.
- Where the complainant's actions have caused and/or contributed to the issue, for example not allowing access to carry out a repair.
- For anti-social behaviour (ASB) carried out by others.
- Reduction or refund of service charge (This would be dealt with by our Service Charge Dispute process. More information can be found below: [Service charges and ground rent | Network Homes](#)).
- Where repairs have been carried out in line with the timescales in our repairs policy.
- Loss of earnings.
- Complaints relating to EWS1, fire or building safety concerns or delays. Please refer to Complaints Policy for further guidance.
- We will not consider awarding delay or distress compensation for issues linked to communal areas, unless the issue of concern has also directly impacted a resident's home. An example of the latter would be a leak originating from a communal area that enters a resident's home.

This is not intended to be an exhaustive list and all issues raised within a complaint will be taken into consideration both in the response and in any redress calculation.

5. How do we calculate a compensation award?

This is calculated for each complaint we receive and considers all aspects of the complaint, including the severity of the issue, how long it went on for and any specific circumstances such as vulnerabilities, which may have increased the impact of what has happened.

We have broadly separated the awards into three categories, but each aspect of a complaint is assessed on its own merit:

Low	Medium	High
There has been a service failing but this was rectified within a reasonable amount of time with low effort and considered had a low impact on resident	The issues have caused significant inconvenience and took multiple attempts to resolve involving much time and effort	A serious failure in service standards with severe consequences which took a considerable amount of time and effort to resolve. This has had a major impact on the complainant's lifestyle and/or enjoyment of their home
Low impact delay £5/week	Medium impact delay £10/week	High impact delay £20/week
Low impact distress £5/week	Medium impact distress £10/week	High impact distress £20/week
Low impact time and trouble £1/week	Medium impact time and trouble £3/week	High impact time and trouble £5/week

There are also some standard payments that we would make and some that do not necessarily fall within these categories.

- Missed appointment - £30.
- Loss of heating and/or hot water (between 1 September and 30 April) - £20 per week, per household after the first seven days.
- Loss of cold/drinking water (where we are responsible for the loss) - £20 per week, per household and a minimum of two litres of water per resident.
- Meal allowance when there has been a complete loss of cooking facilities £20 per day for adults and £10 per day for children.
- Poor complaint handling or late responses - £20 for the logging of and/or responding to a complaint late, but within 10 working days of expected date or £50 for any timeframe longer than this.
- Inappropriate legal action.
- The loss of a room within your home – potential partial reimbursement of rent (or compensation equivalent) can be considered.
- Lack of follow up after the complaint.
- Other costs incurred which would not have arisen but for the matter being complained about. See reimbursements, below.

- Time and trouble spent chasing the matter being complained about and can include:
 - Any specific difficulties experienced which have caused more time to be spent
 - Lack or late response to letters/emails/phone calls
- Discretionary award for matters which do not fit into any of the above categories.

6. Who can approve compensation?

All amounts awarded are decided in discussion with the person making the offer and their manager with the relevant authority, as set out below.

- Up to £100 – Team Lead/Manager
- Up to £1,000 – Director, Head of Service, Repairs Support Manager and Complaints Manager
- Above £1,000 – Executive Director

7. Offsetting compensation

Compensation awards will be credited to a resident's rent or service charge account, where those accounts are in arrears. However, we should be mindful of a resident's potential needs and consider the language used when complaining that may flag any financial concerns. This for an example would include any suggestion that a resident is struggling to pay for food or to heat their property. This is to be considered on a case-by-case basis and flagged with necessary managers for consideration and a final decision on such awards. If there is no suggestion of financial hardship or out-of-pocket expenses (covered below) then payments will be processed to cover any arrears.

Residents can ask for a refund if the compensation award places their rent or service charge in credit. The difference can be credited to their bank account.

Where a resident has suffered a monetary loss which has left him or her significantly out of pocket, for example they have paid for a hotel room when we should have provided temporary accommodation or they have replaced an item that we accept was damaged by us or one of our contractors, we will refund the cost to them as part of the compensation award – even in cases where they have rent or service charge arrears.

We will write to our customers and inform them of the total amount awarded and how this is to be paid to the complainant, i.e. against rent or service charge account arrears or to a nominated bank account

Terms such as “good will”, or “without prejudice” are unnecessary and should not be used. Compensation should also be “awarded” and not “offered”.

The complainant will have the right not to accept the payment. They can choose to escalate to the next stage of the complaint procedure even if they accept the payment. This also applies if a complainant wishes to escalate their complaint to the Housing Ombudsman Service.

In terms of offsetting compensation, an award will be made with the following statement, “The total award you will receive is £_. This amount will be credited to your rent (or service charge) account within 2 weeks of the date of this letter.”

8. Reimbursements

In the event costs are incurred which would not have arisen but for the matter being complained about we may consider reimbursing said costs upon proof of the cost incurred (receipts). This is at the sole discretion of the appropriate manager and reviewed on a case-by-case basis. No reimbursement will be granted without proof of the cost incurred.

9. Compensation outside of the Complaints process

We are also permitted to offer compensation outside of the complaints process if we determine there is merit in doing this and awarding compensation seems the fair and reasonable thing to do.

In this instance, no complaint would be logged, and the issue would be noted as informally resolved. The party involved would also need to be a resident or potential resident of Network Homes.

10. The opinion or desired resolution of the complainant

The investigating officer should obtain the complainant's own opinion on an appropriate remedy to resolve the complaint and take it into account when considering compensation. However, the investigating officer must come to his or her own decision on what is an appropriate remedy.

11. Complaints about contractors

These guidelines also apply to contractors acting on our behalf.

If a compensation payment results from the failure of a contractor, the relevant contract penalty clause should be invoked to ensure payment of compensation is reimbursed back to Network Homes.

Payment to the customer should not be delayed by any attempt to seek reimbursement from the contractor.

12. Complaints about SW9

Whilst SW9 do have their own Compensation policy, it is broadly aligned to this policy. Details on SW9 Compensation policy can be provided upon request. Please see Complaints Policy.

13. Complaints about damages

If a resident raises concerns about damages caused within their home based upon a perceived negligence (of us or a contractor attending on our instruction) we should explain clearly that in order to protect us (a non-profit organisation) and the resident in such instances, we have Public Liability Indemnity Insurance cover in place that should be explored before we will consider if awarding compensation is considered the correct thing to do (if an insurance claim is rejected).

In the first instance upon hearing of damages, we should ask for as much evidence as possible to support a claim, including photo's, video's, and an explanation as to why a resident considers that we are liable for said damages. This will then be forwarded to our Insurance team who will raise the claim via our insurers Zurich. Zurich will consider the claim and notify both resident and Network of the claim outcome. It is worth noting that Network has no influence over the investigation and outcome of a claim.

In the event the claim is rejected, but Zurich indicate that there may be 3rd party negligence or liability then will confirm this in writing. We would expect the resident to pursue this matter with the 3rd party directly (we are unable to make a claim on your behalf). We can assist in providing the necessary contact details if required.

We may still consider compensation once any insurance claim has been put forward, regardless of the outcome. We will also consider agreeing to reimbursing the cost of any excess if a resident decides to make a claim via their own insurers. If agreed, this would be paid once suitable proof that an excess has been paid by the resident.

14. Recording details of compensation and refunds

Details of all compensation and refund payments awarded in a complaint must be recorded on the relevant complaint record on Customer Hub. Inappropriate legal action or the threat thereof and Missed appointments are grouped as 'other' on the complaints module to ensure recording is made as easy as possible. Goodwill and ex-gratia payments are to be recorded on Customer Hub under the 'Discretionary' classification.

15. Performance Monitoring and Responsibilities

All awards over £1,000 will be individually detailed in the quarterly complaints monitor. All compensation awarded at Stage one or Stage two of the complaints process should be recorded on Customer Hub and be made available for internal review or audit.

16. Legislation and Regulation

The Land Compensation Act 1973 (as amended by the Planning & Compensation Act 1991) provides for the compulsory payment of Home Loss & Disturbance compensation.

The Commonhold & Leasehold Reform Act 2002 and Housing & Urban Development Act 1993 give local authority residents the right to compensation for improvements. This is now extended to Housing Association residents through the Residents Charter.

The 'Right to Repair' scheme provides target times for urgent repairs to be carried out. If they are not completed within the recommended period, the resident is eligible to the levels of compensation advised.

17. Equality & Diversity

We will apply this policy consistently and fairly and will not discriminate against anyone based on any relevant characteristics, including those set out in the Equality Act 2010.

18. Review

All policies should be reviewed every 24 months as a minimum, or sooner if there is a specific legislative, regulatory, or service requirement or change in guidance, law or practice.

Appendix A – wording to use in complaint responses

In most circumstances, especially when the amount of the award is low, it is not recommended to provide a detailed breakdown of the award in the complaint response. Instead use wording along the lines of

"In recognition of the delay in getting the problem resolved, and the associated distress and inconvenience you experienced, in line with our complaints policy we have awarded you compensation of £XX".

For further advice, please consult the Complaints page on Apollo or speak with a member of the Complaints team.