

Hexagon

# Compensation Policy

POLICY DOCUMENT

# 1. Policy Statement

- 1.1 Hexagon is committed to delivering services to all residents to the highest of standards in housing and care. When things go wrong, and the service drops below these standards, Hexagon will apologise and will put things right as quickly as possible. This policy aims to outline how Hexagon will adopt a fair, efficient, consistent and proportionate approach to providing compensation to residents.
- 1.2 This policy will set out the circumstances where Hexagon may consider providing goodwill compensation and where there are statutory obligations to provide compensation.
- 1.3 This policy aims to compensate residents for service failure by way of a goodwill payment.
- 1.4 Hexagon does not provide compensation in circumstances where the loss has not been caused by a failure by Hexagon so all residents are advised to take out home contents insurance and claim on this to cover losses in these circumstances. This policy only covers cases of discretionary (goodwill) and statutory compensation.
- 1.5 Compensation claims will be considered on an individual basis in a fair and consistent way, promoting common sense. In order to treat residents fairly, a thorough investigation needs to be carried out. This means that appropriate evidence will be required by Hexagon and its insurance company to support a claim. Therefore, a compensation claim may not be considered if adequate evidence is not provided.
- 1.6 This is an overarching policy applying across our business, to all staff, co-ops, board members, leaseholders, shared-owners and residents. This policy also applies to contractors, sub-contractors and agents that are working for Hexagon.

## 2. Statutory and Goodwill Compensation

- 2.1 Compensation can take two forms, statutory or goodwill compensation. In some circumstances both forms of compensation can be applied for.
- 2.2 Statutory compensation- where Hexagon has a legal obligation to compensate a resident.
- 2.3 Good will compensation- where there is no legal requirement to compensate and it is in Hexagon's discretion. Compensation will usually be given if our level of service has fallen below Hexagon's standards or if inconvenience has been caused. Compensation need not always be monetary although this can be appropriate. Goodwill gestures could include offering to undertake decorations when this is not Hexagon's responsibility, the provision of vouchers, chocolates or flowers for example.

## 3. When compensation *will not* be considered

- 3.1 Compensation will not be provided in circumstances where the issue can be easily resolved. Furthermore, compensation will not be given when:
  - a. Contractors cannot get into a home and are able to evidence this.
  - b. Contractors are waiting for spare parts and have kept residents and Hexagon informed of the timescales involved and can evidence this.
  - c. Extra work is required and the contractor has kept residents informed of the timescales involved.
  - d. Where the fault is caused by a third party or is something we are not responsible for
  - e. Where the incident was caused because of negligence by the resident or their failure to comply with the terms of their tenancy or lease such as not providing access to contractors to complete work required
  - f. Circumstances beyond our control i.e storm damage or flooding from extreme weather
  - g. Impact because of reasonable property improvements made to our properties
  - h. Evidence that a resident's lifestyle choices have resulted in condensation and mould growth due to lack of heating or air ventilation
  - i. Where there is, or has been, a payment ordered by a court or competent tribunal in respect of the same issue
  - j. Where work is required at a property and full communication of an action plan has been provided in advance and we have kept to this plan

## 4. When compensation *may* be considered

- 4.1 Examples of when compensation may be considered:
- a. When certain qualifying repairs have not been completed on time.
  - b. When essential services set out in tenancy or lease agreement have not been provided.
  - c. When an appointment has not been kept and Hexagon did not inform the resident 24 hours in advance.
  - d. When any room in the home cannot be used because of lack of repair.
  - e. If Hexagon, or its contractors, damage belongings.
  - f. When an improvement has been carried out by a resident who is moving out which 'qualifies' under the Tenants' Improvement scheme.

## 5. How to claim compensation

- 5.1 Residents who think that they are entitled to compensation, must complete the form at the back of this policy and send it to the stated addressee and address. For further information refer to *Error! Reference source not found.*
- 5.2 Hexagon aim to reply within 10 working days and to speak to residents regarding their claim if this is necessary. However, it can take longer to reach a decision when a visit is needed. The decision letter will notify residents of the amount of compensation to be paid.
- 5.3 Compensation will be paid by bank transfer unless money is outstanding<sup>1</sup>, in which case the compensation is used first to offset any arrears. Payments will be made within 28 days of agreement by the resident.

## 6. Examples of statutory compensation

### 6.1 When Hexagon have failed to carry out emergency or urgent repairs:

- 6.1.1 Under the "Right to Repair" residents may be entitled to compensation if Hexagon fails to complete the repair at the second attempt. Guidance on "Right to Repair" can be found on the Hexagon website at: <https://www.hexagon.org.uk/residents-handbook/rights>

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<sup>1</sup> E.g. Current or former rent arrears; service charge arrears; rechargeable repair debt

6.1.2 The amount is set at £10 plus £2 per day for each day over the time set out in the list, up to a maximum of £50. For further information refer to ***Appendix Two: Qualifying emergency and urgent repairs***

## **6.2 When Residents have made improvements to their home:**

6.2.1 Residents may be entitled to compensation when leaving their home for certain types of improvements carried out by them to their home. Several conditions must be met:

- a. The improvements must “qualify”- the list of such works is outlined at the back of the policy. For further information refer to ***Appendix Four: Eligible improvements.***
- b. Residents have our written consent for the improvements before the work starts.
- c. Three estimates from appropriate companies had been sought and appropriate evidence can be provided of this.
- d. The improvement must be of satisfactory standard, as determined by a Hexagon Surveyor to be of a similar or higher quality to works completed by Hexagon contractors, when the property is vacated.

6.2.2 The compensation granted will be based on the initial cost of the work, depreciated over the assumed life of the improvement. For example, if a resident has spent £3,000 on a new kitchen and leaves after 5 years (half of the expected 10-year life), then compensation of 50% of the cost (£1,500) will be paid. See Appendix 12 for relative lifespans that the depreciation may be based on.

**6.3** Compensation will normally be given if a resident has replaced an existing item in good condition, well before the end of its expected life. There is a limit of £3,000 in the compensation which can be paid. More detailed guidance on this scheme for which the rules have been set by the Government will be provided on request.

## **6.4 Temporary accommodation:**

6.4.1 Where the whole of a property cannot be used while major work is completed, Hexagon will offer temporary alternative accommodation. In these circumstances where a resident has been “decanted”, a disturbance allowance is paid to cover actual expenses incurred. Major Works are defined as any works that would not allow you to reasonably stay within your property.

6.4.2 Whilst a resident is in temporary accommodation, the rent due on their main home will remain payable, but there will be no charge for the temporary accommodation. More information about decanting is available from Customer Services.

## **6.5 How we will assess whether we will provide goodwill compensation?**

This form of compensation will be assessed on an individual case by case basis. It may be provided after assessing the level of impact to the resident and the inconvenience caused.

In assessing the level of compensation, Hexagon will consider:

- Whether non-financial good will gestures have already been made
- Whether the problem has been remedied
- Any reasonable known costs have been incurred
- Recognition of failure to follow policies and procedures
- Overall time taken
- Any personal circumstances such as age, disability or other health concerns of the household

## 7. Examples of Goodwill (discretionary) compensation

### 7.1 Damage caused to possessions:

- 7.1.1 If your belongings are damaged by a member of our staff, or where Hexagon has been negligent (for example, not carrying out a repair previously reported) compensation will be paid out of Hexagon funds or through its insurance, after the goods have been inspected by our staff and/or our insurance company. If a contractor causes the damage, Hexagon will ensure the contractor provides compensation through their insurance.
- 7.1.2 If the damage has been caused in some other way e.g. by a roof leak of which Hexagon had no knowledge of before the event, or by the neighbour's washing machine leaking, while Hexagon sympathises with the inconvenience, it is not Hexagon's responsibility to make good the loss. All residents are encouraged to arrange home contents insurance to insure against these types of losses.
- 7.1.3 For further information refer to ***Appendix Three: Compensation for damage to possessions***

### 7.2 Failure to meet an essential service outlined in the tenancy or lease agreement:

- 7.2.1 Where a service to your home is not being provided, such a lift breakdown failure, Hexagon will consider claims for compensation where there has been an unreasonable loss of service or where the repairs have not been completed within our publicised timeframes without sufficient reason. Minor fluctuations in the standard of estate cleaning and grounds maintenance fall outside the compensation policy but any reported fall in standards will be dealt within the published timescales.

### 7.3 Time, trouble, distress and inconvenience:

- 7.3.1 There may be circumstances where compensation can be considered at Hexagon's discretion for such things as the distress or inconvenience caused by delays in getting repairs done or if someone has had to go to more trouble than normal in pursuing a complaint. Any remedy offered in these circumstances is entirely at Hexagon's discretion.

#### 7.4 Loss of heating and hot water:

- 7.4.1 Hexagon will pay £2.50 a day for additional fuel or utility costs after the second day without heating between the beginning of October and the end of March.
- 7.4.2 Hexagon will pay £2.50 a day for additional fuel or utility costs after the second day without hot water between the beginning of October and the end of March.
- 7.4.3 This may be reviewed depending on the circumstance.

#### 7.5 Missed appointments:

- 7.5.1 If a member of staff or a contractor misses an appointment without prior notice, Hexagon will apologise, and £20 compensation can be claimed. The conditions on the **section missed appointments** also apply.
- 7.5.2 A missed appointment by Hexagon is more than one hour outside the appointment slot we agreed with you. If a member of staff is absent due to sickness on the day of the appointment, an attempt will be made to notify you by 10am at the latest; only those with a specific timed appointment before 11am would be compensated.

#### 7.6 When rooms cannot be used:

- 7.6.1 In some unavoidable cases, repairs to a home may make rooms unusable for a while. If a room is unusable for more than 72 hours, the compensation will be calculated as a proportion of the net rent due (up to 100% of the rent) as in the following table:

% of net rent payable for non-use of room

Rooms out of use							
Size	Kitchen	Bathroom	Living	Bed 1	Bed 2	Bed 3	Bed 4
1 bed	30	30	30	30			
2 beds	30	30	30	20	20		
3 beds	30	30	30	20	20	15	
4 beds	30	30	30	20	20	15	15

7.6.2 If a garden or balcony is unusable for more than 72 hours due to repair works, the compensation will be calculated as a proportion of the net rent due at a rate of 10%.

## **8 Relevant legislation and guidance**

- Right to Repair (introduced as part of the Citizens Charter Scheme 1st April 1994)
- Right to Compensation for Improvements (introduced as part of the Citizens Charter Scheme 1st April 1994)
- Home Loss and Disturbance Payments (Under the terms of the Land Compensation Section 30 Act 1973 as amended)
- The Housing Act 1985 and 1988 as amended
- Leasehold Reform, Housing and Urban Development Act 1993
- Localism Act 2011,
- Housing Act 1996 (schedule 2)
- General Data Protection Act 2018,
- Equality Act 2010,
- Housing Ombudsman Scheme, and
- RSH Tenant and Involvement Empowerment Standards.

## **9 Relevant Hexagon Policies and Procedures**

- Repairs Policy
- Complaints Policy 2020
- Decant Policy

# Appendix One: Compensation form

You can claim compensation by completing the form and sending it to:

- a. Responsive Repairs Manager (for claims relating to repairs)
- b. Stock Improvement Manager (for claims relating to improvements)
- c. Housing Services Manager (for other claims)

Hexagon Housing Association  
130-136 Sydenham Road  
London SE26 5JY

## Compensation claim form

Name: .....

Address: .....

..... Postcode: .....

Telephone No. Home: .....

Work/daytime: .....

Email: .....

Please give details of your claim in the space below. Include the names of any Hexagon staff you dealt with, any contractors, details of poor works, dates when appointments were broken etc. Please note that for missed contractor appointments, we will show your claim to the contractor and ask for their response.

If you are claiming for compensation for eligible improvements to the property you are leaving, state what the works were and when they were carried out. *Please attach receipts.*

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*(Continue on separate sheet if necessary)*

Please state the amount you are seeking in compensation.

£.....

Signed: ..... Date: .....

Hexagon is committed to equal opportunities and we want to ensure that all our tenants are treated fairly. Please tick the boxes which apply to you. Your answers are confidential and will not affect your claim in any way.

Age group: Under 24 years  25-38 years  39-59 years  60+

Gender: Male  Female  Other

To which of these groups do you consider you belong? *Please tick one box only*

**White**

- British
- Irish
- Any other White background (please tick & write in)

**Mixed**

- White & Black Caribbean
- White & Black African
- White & Asian
- Any other mixed background (please tick & write in)

**Asian**

- Indian
- Pakistani
- Bangladeshi
- Any other Asian background (please tick & write in)

**Black or Black British**

- Caribbean
- African
- Any other Black background (please tick & write in)

**Other**

- Chinese

Other (please tick & write in)

**Gypsy/Romany/Irish**

Do you have a disability? Yes  No

## 10 Appendix Two: Qualifying emergency and urgent repairs

Emergency Repairs	Urgent repairs
Total loss of electrical power	Partial loss of electrical power
Unsafe power, lighting socket or electrical Fitting	Partial loss of water supply
Total loss of water supply	Total or partial loss of space or water heating between 1 May and 31 October
Total or partial loss of gas supply	Tap which cannot be turned
Blocked flue to open fire or boiler	Leaking roof
Total or partial loss of space or water heating between 1 November and 30 April	Loose or detached banister or handrail
Blocked or leaking foul drain, soil stack or (where there is no other working toilet in the house) toilet pan	Rotten timber flooring or stair tread
Major leak from water or heating pipe, tank or cistern*	Door entry phone not working
Insecure external window, door or lock	Mechanical extractor fan in internal kitchen or bathroom not working
	Toilet not flushing (where there is no other working toilet in the house) 1

### Notes:

- Hexagon normally regards this as urgent, provided the tenant can use a bucket of water to flush the toilet
- Only emergency if major leak, other leaks are urgent if containable
- Window - only emergency if on ground floor or accessible; door lock - not emergency if another working lock on door (i.e. night latch broken, but mortise OK)

## **11 Appendix Three: Compensation for damage to possessions**

- a. Where our staff damage your possessions, Hexagon or our insurers may need to physically see the goods before we can consider compensation. You will be contacted within 10 works days in order to book an appointment to do this so please do not through them away before this happens.
- b. In many cases, it will be possible for goods to be satisfactorily cleaned, for example, carpets. If our inspection indicates this is a practical option, we will either arrange the cleaning ourselves or will reimburse you for your own reasonable costs
- c. Compensation will be based on the age of goods, not "new for old."

## 12 Appendix Four: Eligible improvements

Qualifying improvement	Notional life in years
Bath or shower	12
Wash-hand basin	12
Toilet	12
Kitchen sink	15
Storage cupboards in bathroom or kitchen	15
Work surfaces for food preparation	15
Space or water heating	12
Thermostatic radiator valves	7
Insulation of pipes, water tank or cylinder	10
Loft insulation	20
Cavity wall insulation	20
Draught proofing of external doors or windows	8
Double glazing or other external window replacement or secondary glazing	20
Rewiring or the provision of power and lighting or other electrical fittings including smoke detectors	15
Any object which improves the security of the house, excluding burglar alarms	10

**Note that:**

- You must have our written consent for the improvements before the work starts.
- Normally a site visit will be made to ensure the proposed improvements are practical. In some cases, there is also a statutory requirement for a local authority Building Control officer to approve the work. Planning permission may be required. The surveyor doing the inspection will advise you if this is the case.
- You must provide three estimates from genuine companies and state your reason for choosing a particular company.
- The improvement must be of a satisfactory standard when you vacate the property and must not be so unusual design or materials that they may be rejected by an incoming tenant.
- Compensation will not be paid until you have left the property in a satisfactory condition.
- Lifecycles listed in the table above may differ from Hexagon's suggested component lifecycles. Where relevant, this is because the lifecycle of Hexagon's components would be linked to Hexagon's design brief with specifications that may be higher than those suppliers / installers a resident uses when installing their own components or making their own improvements.

Prepared by: Responsive Repairs Manager

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Hexagon