



COMPENSATION POLICY



Compensation Policy			
Last Reviewed	April 2026	Next Review	April 2028
Responsible Officer	Chief Operations Officer		

Policy Statement: There may be times when it is appropriate for Freebridge to offer compensation to its tenants and leaseholders.

Compensation is a key part of putting things right where we have failed to deliver our services. In determining whether compensation is appropriate, and the level of any award, we will be guided by the Housing Ombudsman’s published guidance on remedies and compensation. Our aim is to provide redress that is fair, proportionate, consistent and timely, and which restores customers, as far as possible, to the position they would have been in had the service failure not occurred.

Policy Detail:

We shall:

- Acknowledge a customer’s request for compensation **within 3 working days**.
- Ask for evidence to back up any claim where it is reasonable to do so.
- Communicate with the customer (s) seeking compensation **within 10 working days** to confirm what we will offer. If it takes longer to consider their request, we will keep the relevant person informed.
- If we cannot pay compensation, we shall explain our reasons.
- Where we are aware that a customer may be entitled to compensation, we will inform them.
- Consider whether compensation forms part of suitable redress when dealing with complaints
- Provide a way for customers to appeal (see **Accessing Compensation**) if we refuse a request for discretionary compensation
- Compensation will be considered and, where appropriate, offered at the earliest possible stage of the complaint or service failure, rather than being delayed until later stages of the complaints process.

Support Needs

In considering compensation awards we will take into consideration your individual and household situation, your circumstances and your support needs so that we can support you in the best way possible.

Accessibility

We are committed to ensuring that all our customers can access our Compensation Policy. We will provide information regarding the process, in the most suitable and accessible format for each customer.

Examples of support we can provide are:

- Supplying auxiliary aids to assist in communication regarding your compensation (such as sign language, interpreters and Induction Loops).
- Providing information in alternative formats (e.g. large print, Braille, coloured paper, audio etc.)
- Giving extra time for you to provide supporting information
- Sending emails or communicating via telephone in preference to hard copy letters
- Communicating with a nominated family member or third party such as support agencies or advocates.

Customers can let us know about any additional support needed at any point during this process. We will always try and meet the needs of our customers. There may be instances where this isn't possible. When this happens, we will do our best to work with you to find another solution.

Accessing compensation

Requests for compensation can be made in the following ways:

- In person at our office
- In writing
- Via e-mail
- By telephone

Compensation will be paid by bank transfer. Where compensation is proposed, confirmation in writing with an explanation as to how the figure has been arrived at will be issued. Customers will be asked to confirm acceptance before compensation is paid.

Discretionary compensation will not usually be paid where an insurance claim is pending.

If a customer disagrees with our decision to refuse discretionary compensation, then they may appeal via our Appeals Policy.

Types of compensation

Compensation may include one or more of the following, depending on the circumstances of the case:

1) Statutory or mandatory payments

Payments we are legally required to make, such as home loss payments, disturbance payments or Right to Repair / Right to Improvement compensation.

2) Quantifiable financial loss

Payments to reimburse customers for actual, evidenced, and reasonable financial losses directly caused by our service failure (for example increased utility costs, alternative accommodation, or replacement of damaged belongings).

3) Distress and inconvenience

Discretionary payments to recognise the impact of service failures on a customer's wellbeing, comfort, or enjoyment of their home.

4) Time and trouble

Discretionary payments to recognise the additional effort a customer has had to make to pursue an issue or complaint because of our failure.

1. Statutory Compensation

There are certain circumstances in which we have a statutory obligation to pay compensation. These include:

Home Loss Compensation

Home Loss payments, made under the Land Compensation Act 1973 and The Home Loss Payments (Prescribed Amounts) England Regulations 2018, will be made to tenants who are required to permanently leave their home because of improvement or development works. The amount paid is set in the regulations, and any payment will be offset against any outstanding debt owed to Freebridge. Payment will only be made to tenants who have been resident in their home for a minimum of one year.

Disturbance Payment

Disturbance payments are made in accordance with the Land Compensation Act 1973, to compensate tenants for reasonable expenses associated with a required move, whether this is temporary or permanent. Tenants, who may not qualify for a Home Loss payment, can still receive a Disturbance payment. Each case will be assessed on its merits, and costs only directly related to the move will be considered, but may include:

- Disconnection and reconnection of appliances and utilities
- Mail redirection
- Redecoration
- Carpets
- Installation of adaptations and disability aids required where these are not already installed in the new home.

Right to Compensation for Improvements

Most tenants may claim compensation for improvements they have carried out to their homes when they are leaving. Prior permission from Freebridge must have been

obtained for a 'qualifying' improvement and customers can claim for the cost of materials and labour costs but not for appliances or their own labour.

The amount payable can be up to £3,000 though claims under £50 will generally not be considered. Payments will be adjusted for undue wear and tear or if any defects to the improvement exist at the end of the tenancy. Compensation is worked out based on the notional life of the improvement, divided by the cost of the improvement, minus the number of years left. E.g., Improvement costs £500 and notional life is 10 years, and the customer is moving out after 2 years. $\frac{£500}{10 \text{ years}} = £50 \text{ per year}$; 2 years = £100. $£500 \text{ cost} - £100 = £400 \text{ compensation}$.

Any claims for compensation for improvements must be made in writing between 28 days before the actual end of the tenancy or up to 14 days after the tenancy has ended. Customers must be able to provide the original receipts or proof of financial transactions to be eligible for the compensation. The improvement must still be in good condition and full working order. See [Appendix 1](#).

Right to Repair

Payments made under Section 96 of the Housing Act 1985, will be made to tenants when we fail to carry out a 'qualifying' repair that has been reported on 2 separate occasions within the published repair timescales, and the customer has allowed reasonable access to the property. A one-off compensation payment of £10 can be claimed, plus £2 for each day the repair continues to be outstanding up to a maximum of £50. This will not be payable if the delay is due to the availability of a non-standard part and the customer has been informed. See [Appendix 1](#)

2. Compensation for Quantifiable Losses

There may be occasions when it is considered appropriate for Freebridge to offer compensation to its tenants and leaseholders where they have incurred financial loss. In these circumstances costs must have been reasonably incurred and evidence of such loss will need to be provided.

Compensation for Loss of Service

Compensation may be considered where a customer experiences the loss of a service. Examples may include, but are not limited to the failure of services covered by a fixed service charge (calculated based on the charge payable for the duration the service was not provided/available)

Variable service charges will not typically be compensated in this way, with the following year's charge amended instead to reflect the period of service failure.

Compensation for Financial Loss

Compensation will be considered when a customer has incurred a quantifiable financial loss/cost because of our actions or inactions. Standard losses and associated payments are set out at [Appendix 2](#) – this is not an exhaustive list.

In addition, compensation will be given for damage caused by Freebridge or a contractor acting on our behalf when carrying out repairs or maintenance to a customer's home. See also [Home Contents Insurance](#).

Compensation for Leaseholder Rent Loss

A claim for Compensation will be considered where the terms and clauses of a lease allow for the provision of rent loss, and where a leaseholder is unable to directly or indirectly occupy their property because of the action or inaction of Freebridge as the Freeholder. The criteria within the lease must be met and explicit in the terms of the agreement.

Where the lease does not allow for rent loss, this may still be considered on a case-by-case basis on its merits; our liability will be considered in the matters leading to the rental loss compensation claim.

Compensation based on rent charged (tenancies)

In complaints concerning the condition of the property, and where there is evidence that this has resulted in the loss of use of part or all the property, compensation will be considered. This will include rooms being substantially impaired, meaning they could not be used for their intended purpose.

The level of rent charged will be used as a financial benchmark for the loss of use. We will not pay compensation based on rent charged where alternative accommodation was provided.

Where there's an additional impact beyond the loss of rooms, we may also consider compensation for distress and inconvenience. This may include situations where the impact on the residual living space is more profound because of the nature of the property or household circumstances.

Relevant spaces

We consider the following spaces to be relevant when deciding a level of compensation based on rent charged:

- bedroom
- kitchen
- living room
- bathroom
- WC

We will use discretion in how to apply this guidance if a property includes a room which is not listed above (for example, a combined kitchen/living room). We will ensure that our decision making is explained.

We will not pay compensation based on rent for parts of the property which connect the above rooms, or for exterior spaces. This includes hallways, landings, gardens, and balconies. However, we may consider compensation for distress and inconvenience if the use of these spaces has been affected.

Deciding the correct sum

The start date for compensation will be the date the customer reported the issue minus the target repair period. The end date is when repairs were completed or at the point of awarding compensation if the matter is ongoing.

We use the table below to help us arrive at consistent and transparent awards. This sets out the percentage we will apply per room for a calculation of compensation based on rent charged:

Room	Percentage of weekly rent
Living room	20%
Bedroom	20%
Kitchen	30%
Bathroom	30%
Bathroom where an additional WC is available	20%

Where the entire property is affected, 100% of the rent charged will be applied (before any mitigating factors). The calculation will not exceed 100% of the rent charged.

Unquantifiable Financial Loss

Sometimes it is clear that a customer has suffered a financial loss but it's not possible to quantify this. In considering any compensation for loss we will always ask customers to provide evidence of the costs they've incurred and how they were unavoidable, or the loss they've suffered. However, when no such evidence is available, we will take a reasonable approach, and assess on the balance of probabilities, to determine an amount in recognition of the fact the customer has incurred costs which would not have otherwise arisen.

3. Distress and Inconvenience Compensation

There are some circumstances in which additional discretionary compensation will be awarded, in consideration for the impact that an issue has had on a customer. When considering distress and inconvenience we will consider:

- stress, anxiety, worry, frustration, shock, upset, embarrassment, annoyance, and uncertainty
- raised expectations - wrong information leading to disappointment
- feeling unfairly treated compared to others

- problems caused by delays in resolving matters or poor complaint handling
- loss of holiday entitlements or income due to failure to attend appointments
- avoidable delays in resolving repair issues that cause inconvenience
- failure to follow procedures resulting in delays in addressing and/or resolving an issue
- failure to return phone calls or respond to emails/letters, resulting in further delays in resolving an issue
- the severity of the service failure
- the length of time the failure continued
- whether the failure was repeated or part of a series of failures
- the cumulative impact on the customer
- the customer's individual circumstances, vulnerabilities, and support needs

We will ensure that the value is fair, reasonable, justifiable and proportionate in the circumstances of the case.

Compensation awards will normally increase when failures are prolonged, repeated, or have a significant impact on a customer's health, wellbeing, or ability to live safely and comfortably in their home.

We will have regard to the Housing Ombudsman's published guidance and benchmark compensation levels when making discretionary awards. Where our offer differs materially from those benchmarks, we will clearly explain the reasons for this in our decision-making.

4. Time and Trouble Compensation

At all times our intention is to provide the correct service at the right time. Where we fail to do this, our priority will always be to put this right as soon as possible.

Customers may incur some time, trouble, and minor costs when pursuing a complaint. If our failure means that unreasonable extra effort is needed, compensation may be appropriate for 'time and trouble'. Examples may include:

- repeated failure to log or progress a complaint
- not addressing all complaint issues
- failure to respond to reasonable contacts, in relation to a substantive issue or complaint
- repeated failure to attend appointments or complete agreed actions during appointments
- communication or knowledge management failures leading to a customer having to make multiple reports on the same issue
- overall poor communication or complaint handling
- ignoring reasonable adjustment requests

In such examples a one-off payment of £25 may be made in acknowledgement.

In some exceptional circumstances and at our discretion entirely, a goodwill gesture may also be considered where we have made an error, or provided poor service, as an apology.

Goodwill gestures are generally in the form of a token, usually flowers or a gift voucher, and would not normally exceed £50 in value.

Complaint handling failures

Compensation may also be considered where there has been poor complaint handling, including unreasonable delays, failure to follow our Complaints Policy, or non-compliance with the Housing Ombudsman's Complaint Handling Code.

Home Contents Insurance

Tenants will be advised at the start of their tenancy of the importance of home contents insurance and any favourable schemes that can be accessed by Freebridge tenants.

We will only consider discretionary compensation if staff action or inaction has caused damage to a customer's personal belongings. In all other insured situations, such as flood, fire, theft etc. where damage is caused, compensation should be sought through insurance.

Situations where compensation will not be considered

These include, but are not limited to:

- claims for personal injury
- claims for damage caused by circumstances beyond our control (e.g. through storm or flooding)
- problems caused by a third party not working for Freebridge
- Situations where customers have not notified us of an issue
- Where customers have refused access to the property to put things right or the suggested remedy

This also includes instances where any damage is covered under contents insurance – see also **Home Contents Insurance**.

Third Parties

We will ensure that all contractors carry Public Liability Insurance. Where a claim is made in respect of personal injury, damage to possessions or other financial loss alleged to have been caused by a contractor's negligence, Freebridge will compensate the customer directly, and then seek to recover the costs from the contractor.

Monitoring and reporting

We will review our compensation levels regularly to ensure that they continue to meet statutory requirements. Compensation trends and outcomes will be monitored to identify recurring service failures and inform service improvement

Appendix 1

Improvements, which qualify under the 'Right to Compensation for Improvements';

Improvement	Notional Life (years)
Bath or shower, wash-hand basin and toilet	12
Kitchen sink and work surfaces for preparing food	10
Storage cupboards in bathroom or kitchen	10
Central heating, hot water boilers and other types of heating	12
Thermostatic radiator valves	7
Pipe, water tank or cylinder insulation	10
Loft and cavity wall insulation	20
Draught-proofing of external doors or windows	8
Double-glazing or other window replacement or secondary glazing	20
Rewiring, or the provision of power and lighting or other electrical fittings (including smoke detectors)	15
Security measures (excluding burglar alarms)	10

Defects, which qualify under the 'Right to Repair';

Defect	Maximum Response Time (working days)
Total loss of electrical power	1
Partial loss of electrical power	3
Unsafe power (including lighting socket or electrical fittings)	1
Total loss of water or gas supply	1
Partial loss of gas supply	1
Blocked flue to open fire or boiler	1
Total or partial loss of space or water heating between 30 April and 1 November	3
Blocked or leaking foul drain or soil stack	1
Toilet not flushing (if no other working toilet)	1
Blocked sink, bath or basin	3
Tap which cannot be turned	3
Leaking from water or heating pipe, tank or cistern	1
Leaking roof	7
Insecure external window, door or lock on ground floor	1
Loose or detached banister or handrail	3
Rotten timber flooring or stair tread (making safe)	3
Door Entry phone not working	5
Mechanical extractor fan in internal kitchen or bathroom not working	5

Appendix 2

Standard Loss Payments

Situation	Payment/Calculation
Failure to attend appointment by either Freebridge staff or contractor	£20, cannot be claimed if advised at least 24hrs in advance that the appointment is cancelled. * Plus, loss of wages as applicable for time taken to provide access
Missed re-scheduled appointment	£30 *
Further missed appointments for the same job	£50 per missed appointment *
Complete loss of heating and hot water	£15 per day
Loss of either heating or hot water	£8 per day
Loss of cold/drinking water (where we are responsible for the loss)	£5 per day
Complete loss of power (where Freebridge are responsible for the loss)	£10 per day
Loss of lighting only (where Freebridge are responsible for the loss)	£10 per week
Meal allowance when there has been a complete loss of cooking facilities	£20 per day for adults and £10 per day for children
Cost incurred in operating additional temporary heating, drying or dehumidifier equipment required to rectify a property fault	Paid in accordance with customer's energy tariff and the duration of usage
Cost incurred due to a gas safety issue or leak (where Freebridge are responsible)	Paid in accordance with customer's energy tariff and the duration of loss
Energy cost incurred due to disrepair (where Freebridge are responsible)	Paid in accordance with customer's energy tariff and the duration of loss

*To qualify for a missed appointment payment, the customer must have been available to allow access during the appointment time and agreed the appointment in advance.