



COMPENSATION POLICY



Compensation Policy			
Last Reviewed	July 2025	Next Review	July 2027
Responsible Officer	Director of Operations		

Policy Statement: There may be times when it is appropriate for Freebridge to offer compensation to its tenants and leaseholders. This may be because we failed to provide the proper level of service, we made a mistake that took a long time to put right or because we needed to do something that would cause inconvenience or discomfort.

The intent of our compensation policy is to act fairly and reasonably to return customers to the position they would have been in should the service failure not have 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

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.

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. $\text{£500}/10 \text{ years} = \text{£50 per year}$; 2 years = £100. $\text{£500 cost} - \text{£100} = \text{£400 compensation}$.

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**

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:

- Failure of services covered by a fixed service charge (calculated on the basis of 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 Leaseholder Rent Loss

A claim for Compensation will be considered where the terms and clauses of a lease allows 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 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.

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*.

3. Discretionary Compensation

In addition to addressing any financial losses, 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 discretionary compensation we will

- Ensure that the amount of compensation is fair, reasonable, justifiable and proportionate in the circumstances of the case.
- Managers are expected to use their reasonable discretion when considering individual cases prior to any payment of compensation being offered.
- The appropriate authorisation must be obtained by a Director who is delegated to approve such offers.

When considering awarding compensation for service failure the factors to be taken into account will include (but are not limited to):

- Severity of any service failure or omission
- Length of time that a situation has been ongoing
- Frequency with which the issue has occurred
- Number of different failures
- Cumulative impact on the customer
- A tenant or leaseholder's particular circumstances or vulnerabilities including family life, use of their home and impact on health and emotional wellbeing
- Unreasonable delays in resolving matters
- Quantifiable financial loss that would otherwise have not been incurred
- Actions of the tenant, their household visitor(s) whether mitigated or

- contributed to any loss, damage, distress or inconvenience
- Levels of compensation awarded for similar cases by the Housing Ombudsman

Performance Failures

A one-off payment of £25 will be made in acknowledgement of:

- poor complaint handling/failing to adhere to our Complaints Process
- failure to meet target response times/service standards
- where unreasonable time is taken to resolve a reasonable request

Goodwill Gesture

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. 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.

Stress/Inconvenience

Compensation payments for delay and distress will be made based on the level of Freebridge's responsibility for the inconvenience and the impact on the customer. Standard payments are set out at Appendix 3.

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 in the event that 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.

Accessing compensation

- Claims for compensation can be made in the following ways:
 - In person at our Offices
 - In writing
 - Via e-mail
 - By telephone
- Compensation will be paid by bank transfer
- Acceptance of an offer of compensation will be considered as full and final settlement
- Discretionary compensation will not usually be paid when a customer is, or intends to, take legal action or 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](#).
- 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.

Monitoring and reporting

- We will monitor the reasons for compensation claims and the amounts paid out and use this information to consider improvements to our services.
- We will review our compensation levels to ensure that they continue to meet statutory requirements.

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	£25 *
Further missed appointments for the same job	£50 per missed appointment *
Loss of heating and/or hot water (between 1 September and 30 April)	£3 per day.
Loss of cold/drinking water (where we are responsible for the loss)	£5 per day.
Meal allowance when there has been a complete loss of cooking facilities	£20 per day for adults and £10 per day for children
Total loss of power (where Freebridge are responsible for the loss)	£5 per day.
Uninhabitable rooms (Habitable rooms considered to be Living Room, Dining Room and Bedrooms)	Calculated on the number of rooms affected as a proportion of the total no. of habitable rooms, the weekly rent and the duration e.g., 1 room effected out of 4 habitable rooms Weekly Rent £90; $\text{£90} / 4 \times 1 = \text{£22.50}$ for every week effected
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
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.

Appendix 3

Payment to recognise distress and inconvenience

Impact on Customer				
Level of Freebridge	No	Low	Medium	High
None	£0	£0	£0	£0
Partial	£0	£25	£100	£175
Full	£0	£50	£175	£250

Low impact: The complaint has been upheld but there has not been significant inconvenience or distress caused. Impact has been no more than a reasonable person could be expected to accept, and the compensation is a token in acknowledge of Freebridge's responsibility.

Medium impact: Inconvenience and/or distress has clearly been caused as a result of a failure in service. A repeated failure of a low impact event could result in the impact being increased to a medium impact.

High impact: A serious failure in service has taken place. This could either be due to the severity of the event, or a persistent failure has occurred over a prolonged period of time, or an unacceptable number of attempts to resolve the complaint have failed.

Payments should take into account the level of stress, anxiety, frustration, uncertainty and inconvenience caused. This will include the severity, length of time, number of people affected and their individual circumstances.