INNISFREE HOUSING ASSOCIATION

April 2026

Compensation Policy

Version: Compensation Policy April 2026

COMPENSATION POLICY

CONTENT

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1. INTRODUCTION

1.1 Innisfree aims to provide the best possible service to all our tenants. There may be times when we fail to meet set standards and commitments to our residents, we endeavour to put this right as quickly as possible. There may also be times when Innisfree requires tenants to move out of their homes, either on a temporary or permanent basis. If we are unable to carry out a service or if we require a tenant to move, we may make compensation payments.

1.2 This policy has been developed in line with the Housing Ombudsman's Compensation Guidance and supports compliance with the Social Housing (Regulation) Act 2023, which strengthens the requirement for registered providers to provide fair, transparent and effective redress where service failure has occurred.

1.3 This compensation policy is not exhaustive and should be read in conjunction with the following:

- Your tenancy agreement
- Complaints Policy
- Right to Repair Scheme
- Decant Policy
- Customer Service Standards

1.4 Tenants and customers are encouraged to request compensation as soon as reasonably practicable. While requests should normally be made within 28 days of the issue arising, we will consider requests made outside this timescale where it is a fair and reasonable adjustment to do so, including where the resident has vulnerabilities, support needs, or where the impact of the service failure was ongoing.

2. OUR APPROACH

2.1 When things go wrong, we will take a proactive approach to putting things right. This may include an apology, remedial action, learning from the failure, and compensation where appropriate.

2.2 Compensation will be considered based on the impact of the service failure on the tenant or customer, including distress, inconvenience, time and trouble, and any financial loss, rather than solely on whether policies or procedures were breached.

2.3 We also consider compensation where there has been a loss of service, or a temporary move (known as a decant) has made a financial impact on the tenant.

2.4 Innisfree works within the guidelines of current legislation and aims to achieve best practice within the housing sector. We take into account relevant legislation such as:

- Housing Act 1985
- Right to Repair Legislation 1994
- Home Loss Payments (Prescribed Amounts) (England) Regulations 2018
- Landlord and Tenant act 1985
- Land Compensation Act 1973 (as amended by the Planning and Compensation Act 1991)
- Commonhold and Leasehold Reform Act 2002
- Housing and Urban Development Act 1993
- Defective Premises Act 1972
- Equality Act 2010

2.5 This policy also aligns with the Housing Ombudsman's Complaint Handling Code (2024) and the Social Housing (Regulation) Act 2023, which reinforce the importance of fair redress and tenant-centered service delivery.

3. POLICY AIMS

3.1 The aim of this Policy is to ensure that we have a fair and consistent approach to offering redress and awarding compensation.

3.2 This Policy outlines the circumstances where we might pay compensation to a tenant or customer, and how we manage compensation claims and awards.

3.3 This Compensation Policy does not apply to members of the public with whom we do not have a contractual relationship.

3.4 Claims for personal injury are not considered under this Policy, they will be dealt with by our insurers.

4. TYPES OF COMPENSATION

4.1 Compensation can be statutory, contractual, or discretionary.

4.2 Statutory compensation will be considered where the law obliges us.

4.3 Contractual compensation is where our tenancy and lease agreements require it.

4.4 Discretionary compensation is considered where the circumstance dictate that it is the right thing to do.

5. STATUTORY COMPENSATION

5.1 **Disturbance payments:** Disturbance payments are appropriate to contribute to or cover moving expenses that Assured tenants may incur if we require them to move from their home permanently or temporarily to complete major works. Major works include:

- Redevelopment
- Regeneration
- Demolition or decommissioning a property

A disturbance payment may be payable in addition to Home Loss payments.

5.2 **Home loss:** we will make home loss payments to tenants if we need them to move from their homes permanently due to sale, demolition, or major works. For payment to be considered, the tenant must have been in occupation of the home as their only main residence for at least the preceding 12 months.

5.3 **Right to Repair Scheme:** the scheme helps tenants to get small qualifying repairs completed quickly.

These repairs should be maters that relate to health, safety, or security such as total loss of water, electricity, and partial or total loss of gas. This can be for an individual property or a communal service/area.

5.4 **Improvements:** Assured and Secure tenants moving out of their home can request compensation for various improvements they may have made to their property while living in it. Any payments made for improvements will be calculated based on a formula set by the government and paid on a sliding scale that accounts for the projected life expectancy of the improvements.

To qualify for a payment for improvements, the tenant must have:

- Formally asked for permission and received our written consent before undertaking the Works.
- Sent Innisfree two independent quotations for the work, or where the works were completed by the tenant – they must be suitably qualified to have completed the work.
- Provided evidence of any official planning permission needed.

Compensation will not be paid where a tenant is being evicted for breaching their tenancy terms and conditions, or where a customer is exercising their Right to Buy or Right to Acquire.

6. DISCRETIONARY COMPENSATION

6.1 Discretionary payments can be made for various reasons such as:

- Poor complaint handling
- Delays in providing a service, i.e., undertaking a repair
- Loss of facilities and amenities
- Damage to property or belongings during repair works
- Failure to provide a service that has been charged for
- Failure to meet target response times
- Failure to follow policy and procedure

- Unreasonable time taken to resolve a situation
- Goodwill gestures

6.1.1 Discretionary compensation will be assessed based on the severity and duration of the issue, the impact on the tenant's wellbeing, any vulnerabilities, and whether the tenant reported the issue in a timely manner.

6.1.2 Discretion will be exercised reasonably, consistently, and in line with the Housing Ombudsman's Compensation Guidance. Decisions will be clearly explained to residents, including how the level of compensation was determined.

6.2 Poor complaint handling

6.2.1 Where the result of a complaint determines compensation is appropriate, we will consider whether compensation for distress, inconvenience, time and trouble is appropriate, and whether a goodwill gesture should be offered in addition.

6.3 Delays in providing a service

6.3.1 We may pay compensation where we have failed to carry out a repair within the timescales set out in our Repair Responsibility Policy.

6.4 Loss of facilities and amenities

6.4.1 We may pay compensation in the form of rent rebate if a tenant is unable to use a room(s) because of a repair issue that is Innisfree's responsibility to resolve, and where this causes a prolonged and unreasonable disruption.

6.4.2 We will not compensate any tenant for a fault or loss of service caused by their misuse, negligence, or damage, where spare parts are unavailable, or where stopping the service was necessary for planned works for take place.

6.5 Damage to property or belongings during repair works

6.5.1 Unfortunately, while undertaking repairs there may be unavoidable damage to interior decorations, fittings, or fixtures. We aim to identify any possible damage to tenant property before starting the work and aim to discuss options to minimise the damage with the tenant.

6.5.2 In the case of damage to tenant decorations, we will carry out reasonable redecorations or provide decoration vouchers for the tenant to carry out the work themselves if suitable.

6.5.3 Where a tenant raises their concerns that damage has been caused due to a contractor's negligence, we will consider this under our insurance policies – all claims of this nature must be reported to Innisfree within 28 days of the event.

6.5.4 We will not consider compensation if damage occurred:

- As the original fitting was incorrectly fitted by the tenant or someone that was not qualified to undertake the works
- To a fitting or fixture that was installed without the tenant first obtaining the required written permission or planning permission
- In an area that we have not worked in – for example, if the same carpet is laid throughout the property, we will only consider replacing it in the room where we worked and where damage occurred.

6.6 Failure to provide a service that has been charged for

6.6.1 Where there has been loss of a communal service or facility, we will consider fully or partially refunding service charges to tenants at the scheme. Services that we may provide compensation for include:

- Unavailability of services such as lifts, communal lighting, or communal TV aerials for more than 7 days
- Two consecutive missed cleaning or grounds maintenance appointments

6.7 **Unreasonable time taken to resolve a situation**

6.7.1 Where a tenant can evidence that they have incurred reasonable extras costs due to a delay caused by Innisfree, we will consider reimbursing them.

6.8 Goodwill gestures

6.8.1 Goodwill gestures are discretionary, non-monetary or low-value gestures offered as a token of apology where a service failure has occurred but has had limited or minimal impact on the resident.

6.8.2 Goodwill gestures may be used to acknowledge inconvenience or to maintain positive relationships, but they are not a substitute for compensation where a resident has experienced distress, inconvenience, time and trouble, or financial loss.

6.8.3 Examples of goodwill gestures may include a written apology, flowers, chocolates, or vouchers of low value.

6.8.4 Goodwill gestures do not constitute compensation and are not subject to the formal compensation review process.

6.8.5 Discretionary payments will be decided by the Operations Director who will follow internal guidance to determine the value and form of the gesture.

6.8.6 Any offers of discretionary compensation are made on the basis that it does not constitute an admission of legal liability.

6.9 **Distress, Inconvenience, Time and Trouble**

6.9.1 Innisfree recognises that service failures may cause residents distress, inconvenience, time and trouble, even where no direct financial loss has occurred.

6.9.2 Compensation may be awarded to acknowledge the impact of such service failures, taking into account:

- the severity of the issue;
- the duration of the impact;
- the frequency of failures;
- the level of disruption to the resident's daily life;

- any vulnerabilities or support needs; and
- the time and effort the resident has had to expend to resolve the matter.

6.9.3 Compensation for distress, inconvenience, time and trouble is a form of redress and is separate from goodwill gestures. Where appropriate, compensation may be offered alongside remedial action, learning outcomes, and a formal apology.

7. WHERE WE WILL NOT CONSIDER COMPENSATION

7.1 Compensation will not be payable where:

- The tenant has failed to provide access or has not cooperated with the contractor.
- The tenant has failed to notify us of a service failure within a reasonable timescale (usually 28 days), and there is no clear evidence of ongoing impact, vulnerability, or exceptional circumstances.
- The repair was the tenant's responsibility i.e., Minor running repairs.
- Extra works are required, and the contractor has kept the tenant informed where these works may take the repair over the specified target time.
- The service or facility in the property or block is unavailable due to vandalism, neglect, anti-social behaviour, or extreme weather conditions.
- Loss or damage is routine failure/wear and tear of a building's structure, fittings, or fixtures
- Non-availability of parts or materials has resulted in loss of service
- Where loss or damage is due to acts of negligence by a third party, for example a visitor or by circumstances out of the control of Innisfree.
- Where problems are caused by circumstances beyond Innisfree's control, for example through a storm or flooding.

7.2 No compensation will be paid for loss of amenities if:

- The tenant is responsible for the loss or has not reported the loss to Innisfree
- A third party is responsible, for example problems and circumstances beyond Innisfree's control such as problems caused by water, gas, or electricity suppliers.

7.3 Personal injury claims will not be dealt with under this policy.

8. HOW TO REQUEST COMPENSATION

8.1 Tenants and customers requesting compensation put their request in writing for the attention of the Operations Director.

8.2 When assessing the level of compensation to be offered, the following will be considered:

- The cause of the issue that the compensation is being sought for – staff will investigate all claims thoroughly and request evidence where necessary.
- Whether the tenant or customer has had any support needs that have been worsened by the situation
- The time, effort, and level of distress caused to the tenant or customer by the service failure
- Any financial loss incurred by the tenant or customer – proof will be required

8.3 While compensation requests should normally be made within 28 days of the issue arising, Innisfree will consider requests made outside this timescale where it is fair and reasonable to do so. This includes circumstances where the impact of the service failure was ongoing, where the resident has vulnerabilities or support needs, or where there are other exceptional circumstances.

9. HOW COMPENSATION IS CALCULATED

9.1 Compensation will be awarded in a manner that is fair and proportionate as well as representing value for money in the way that Innisfree manage our financial resources.

9.2 Compensation should not be used to cover up service failures – where we have failed to provide a service or have been negligent in our duty, Innisfree seek to learn from our mistakes and put steps in place to resolve any issues.

9.3 Compensation will not be considered as a replacement for home contents insurance – tenants are responsible for arranging their own insurance for accidental damage to their belongings and property that is not Innisfree's responsibility.

9.4 The compensation ranges set out in this policy are intended as a guide only. In exceptional circumstances, higher amounts may be awarded where the impact on the resident warrants this, in line with the Housing Ombudsman's Compensation Guidance. The guide for compensation values is outlined in the table below.

Issue	Compensation
Low impact	One instance of mild inconvenience directly caused by Innisfree or our contractors - up to £20
Medium impact	A succession of service failures and/or the problem was not solved within a reasonable timescale - £20 to £100.
High impact	Serious or prolonged service failure or loss of facilities resulting in severe stress, disruption, and inconvenience - £100 to £500
Right to Repair	Where repairs cannot be completed within the agreed timescale £10 is payable, another £2 per day is payable for every extra day up to a maximum of £50. Compensation will not be paid if the tenant fails to allow access to the property.
Improvements	Claims for approved improvements under the value of £50 will not be considered. The maximum value for each improvement cannot exceed £3000. Payments will be adjusted on the notional life of the improvement, divided by the cost of the improvement, minus the number of expected years left. All costs must be agreed in advance by an Innisfree officer and confirmed in writing to the tenant. Payments will only be made once an invoice has been received. Tenants must use reputable contractors who are fully insured, and Innisfree will not pay for tenants' friends to carry out this work. Innisfree can pay contractors directly or reimburse tenants who have made payments themselves, but evidence of these payments must be provided by the tenant.
Home Loss	This applies where a tenant must move from their home for redevelopment, improvement works or demolition. The payment scale is set by regulation, for any displacement on or after 1st October 2023, the prescribed payment is £8,100.

Disturbance	Reasonable requests will be considered with evidence of receipts, and/or written estimates from reputable contractors for cases when a tenant is required to move on a permanent or temporary basis, for example, where major works or improvements are required. Payments will cover the following: ▪ Removals ▪ Connection and disconnection of cookers, washing machines, telephones, and satellite dishes ▪ Redirection of mail Proof of purchase must be provided by the tenant, without this no compensation can be considered.
Loss of room	If a room is not habitable compensation will be considered after 7 consecutive days of continue loss of use. £20 per used bedroom, £20 per living room, £50 per kitchen, £50 per bathroom. Additional compensation may be considered for out-of-pocket costs which results from loss of the room, for example eating takeaway food if the kitchen is unavailable for use.
Loss of service	Loss of communal cleaning or grounds maintenance, the portion of that week's service charge will be refunded after two consecutive missed appointments - payment will be made from the third missed appointment.
Goodwill gesture	Gestures are usually in the form of a token gift such as flowers, chocolate, or a voucher - this should not exceed £50 in value.

10. REQUESTING A REVIEW ON A COMPENSATION DECISION

10.1 If a tenant or customer is unhappy with the decision made regarding their request for compensation, they can raise their concerns via our Complaints Policy at Stage 1.

11. COMPENSATION PAYMENT

11.1 Where the decision is made to pay compensation in accordance with the Compensation Policy, the officer will write to the tenant to confirm the amount payable. The tenant must formally accept or decline the offer as a full and final settlement of their claim.

11.2 Where payment is to be made, it will be made within 14 days of the tenant accepting the offer.

11.3 In cases where discretionary compensation is going to be awarded to a tenant, but their rent account is in arrears, the compensation may be offset against their rent account or other housing related debt.

12. DATA SHARING

12.1 All information will be stored in our Housing Management systems. All case notes, case files, and personal information will be kept confidential in line with the Data Protection Act 2018. We will adhere to the Data Protection Act and comply with General Data Protection Regulation for Sharing Personal Information to ensure that we maintain confidentiality of all parties.

12.2 We will share information with third parties where we have an information sharing protocol in place, if there are safeguarding concerns, or we have a duty to do so for the purpose of crime prevention under the provisions of the Crime and Disorder Act 1998, and the provisions of the Data Protection Act 2018 (and any other relevant legislation) justify it.

13. EQUALITY, DIVERSITY, AND INCLUSION

13.1 We are committed to embedding the Equality Act 2010 into our Policies and Procedures. As part of this commitment, staff should facilitate reasonable adjustments and adapt our standard policies and procedures wherever possible, to ensure every individual can access our services.

13.2 To make an adjustment means to change work practices to avoid or correct the disadvantage to a person with a disability. This may include:

- Allowing more time than we would usually for someone to provide information that we needed.
- Providing specialist equipment or additional support such as a sign language interpreter.

14. REVIEWING THIS POLICY

14.1 Innisfree review this policy every 3 years.

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