NORTH STAR

Creating homes, building futures

Title of policy:	Compensation and Remedy Policy
Purpose:	To provide fair and transparent redress when service failures cause inconvenience, loss, or disadvantage to customers.
Updated:	August 2026
Next review:	August 2028
By:	Executive Director of Customers

Scope

We aim to provide excellent services to customers. However, on occasions, customers may suffer some disadvantage, inconvenience, or loss because of our actions or mistakes and that in some instances compensation will be appropriate.

This policy covers both discretionary compensation which relates to loss, damage, or inconvenience due to a failure in service and statutory (obligatory) compensation.

The aim of compensation is to provide redress to restore a person to the position they would have been in had the service failure not occurred. We have adopted Housing Ombudsman for guidance on appropriate remedies

Many remedies are available to put a situation right, and we may take actions either separately from, or in conjunction with an offer of compensation. These may include practical actions, such as offering to complete repairs or redecoration which would otherwise be your responsibility, or gestures of goodwill, for example vouchers or flowers.

In some instances, financial compensation may be the only and appropriate form of resolution.
This is not automatic and won't apply where the service failure or mistake has not caused any inconvenience and has been easily and quickly remedied.

Compensation payments must be fair and proportionate. Each case should be considered on its individual merits and discretion and common sense need to be applied, while promoting consistency. We will not deduct compensation payments from customers arrears or service charges unless this has been clearly communicated and agreed in writing with the customer.

Responsibility will also be taken for any detriment or damage caused to an individual or their property and belongings by a third party (contractor) working on our behalf.

This policy sits alongside our complaints policy and will be used when assessing redress for service failure, including failures by our contractors. In such instances we will seek to recoup the cost of the compensation from the responsible contractor

Aims and Objectives

We aim to provide an excellent and reliable service to our customers and to resolve issues before the need for a compensation payment arises. If service fails or fails below our published standard, then we will put the matter right.

The aims of this policy are to:

- Set out the circumstances under which compensation can be paid and/or a good-will gesture may be made
- Ensure payments are properly assessed, and controlled
- Ensure consistency whilst considering the individual circumstances of customers

Where compensation is offered to a customer, we will clearly set out the detail, and breakdown of the offer.

Definition

Compensation payments are made when a person has experienced a delay or has incurred additional costs because of a service failure on our part or if we have failed to carry out a service within our published guidelines.

Categories of Compensation

There are three types of compensation categories

- mandatory (such as statutory home loss payments)
- quantifiable loss payments (where people can demonstrate actual loss)
- discretionary payments (for time and trouble/distress and inconvenience)

Mandatory Compensation

Mandatory payments are made where we have a legal duty to do so. This can include home loss, disturbance, improvements, and payments under the Right to Repair scheme.

Quantifiable loss payments

Compensation for quantifiable loss could be considered because of increased heating bills due to disrepair, having to pay for alternative accommodation or take away food, paying for cleaning or carrying out repairs where we have failed to meet our obligations. Any such costs must have been reasonably incurred and evidence of such loss must be provided.

Discretionary payments

Discretionary payments can be considered when there has been:

- poor complaint handling
- delays in providing a service e.g., in undertaking a repair
- failure to provide a service that has been charged for
- temporary loss of amenity
- failure to meet target response times
- loss of use of part of the property
- failure to follow policy and procedure
- unreasonable time taken to resolve a situation

We may offer a goodwill gesture if appropriate in some circumstances to accompany any apology. This may include vouchers, flowers, or chocolates.

When will we not consider paying compensation

- Compensation would not generally be paid in the following circumstances. Where the fault is caused by a third party (not working for North Star) or something we are not responsible for
- Where the incident was caused by the negligence of the customer or their failure to comply with terms of their tenancy such as not providing access
- Circumstances beyond our control such as damage caused to decoration or personal effects due to storm/floods
- Personal injury claims which will be referred to our insurers
- We will not compensate residents for loss of earnings
- For items covered by the customers own household insurance, unless North Star has been negligent.

Levels of Compensation

The maximum amount that can be awarded is calculated based on the extent of the service failure <u>and</u> its impact on the customer.

Level of disruption caused by the service failure		
Minor Disruption	Moderate Disruption	Extensive Disruption
Up to £50	Up to £150	Up to £300

Minor Disruption - Where the tenant has not suffered significant inconvenience or distress because of the compensation event.

Moderate Disruption - Where there is clearly an occasion where the service provided has fallen below or repeatedly failed to meet the required standards.

Extensive Disruption - Compensation will be paid when there has been a serious failure in service standards. This could either be the severity of the failure or a persistent service failure over a prolonged period.

Level of Impact				
Degree of Impact	No Impact	Minor Impact	Medium Impact	Major Impact
Partial	£0	£25	£50	£100
Full	£0	£50	£200	£500

When assessing the impact on a customer, we will consider factors such as the severity and duration of the issue, whether it is a repeat failure, any financial loss incurred, the level of inconvenience or distress caused, the customer's vulnerability (for example due to disability, age or having young children), any loss of facilities or use of the home, and the effort required by the customer to resolve the issue.
Missed appointments

Where it is confirmed that an appointment we arranged between a customer and a repairs contractor to carry out a day-to-day repair (excluding communal areas) was missed by the contractor through no fault of the customer, we will award £25 compensation. If a new appointment is made and a further payment of £25 will be due.

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

Interruption to heating and hot water supplies

We comply with the guidelines of the Housing Ombudsman. Its sets a common standard in the quality and level of customer service that customers can expect from a heat supplier.

Interruption	Compensation
No heating or hot water for 24 hours	£15 per day
No hot water for 24 hours	£8 per day
No heating for 24 hours	£8 per year

Room Loss

The assessment as to whether a room or property is unusable will be carried out at the point of damage and/or the repair request. For each unusable room, a customer can receive up to 25% of weekly rent. The maximum that will be paid (in the unlikely event that one or more room is unable to be used) is 50% of weekly rent.

Room	Percentage of Weekly Rent	Period after compensation is payable
Kitchen	25%	48 hours
Bathroom	25%	48 hours
Bedroom	25%	48 hours
Living Room	10%	48 hours

How to make a claim

Customers can make a compensation claim in several ways including:

- By telephone
- In person
- In writing – either email or letter

Claims should be made within six months after the damage or loss has occurred.

All claims will be acknowledged within two working days and assessed within 10 working days of receipt unless further action or enquiries are required before compensation can be considered.

Only in exceptional circumstances will we consider a claim after this time, and this will be entirely on our discretion.

Monitoring

We will review this policy every two years, the Director of Housing. We will publish an annual summary of compensation payments and lessons learned, and use it to improve services.

Right to Appeal

Any customers who remain dissatisfied will have their complaint investigated in line with North Stars Complaints Policy