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Document Type	Policy-L2		

Compensation and Gestures of Goodwill Policy

1.0 Purpose of the Policy

1.1 Coastline Housing is committed to providing excellent services to all our customers and doing the right thing. Our Trust Charter sets out the commitments and pledges we make to our customers in our role as landlord. There are also policies and procedures providing greater detail about the levels of service a customer can expect, for example the Repairs and Maintenance Policy. We do, however, recognise that there will be times when we do not meet these high standards and, as a result, customers experience loss or inconvenience. If this happens, we will be proactive, apologise and do the right thing to put the matter right . This may include providing compensation or providing a 'gesture of goodwill' in accordance with agreed polcies and procedures and inline with Housing Ombudsman guidance.

1.2 For the purposes of this policy:

- 'Compensation' is offered where we have failed to meet service standards, resulting in a loss of service, amenity, or tangible, proven, and quantifiable financial loss (for example, increased energy bills due to the need to use alternative heating sources);
- A 'gesture of goodwill' is a discretionary payment or action (for example, a bunch of flowers) provided to reflect a level of distress, annoyance, or time taken to resolve an issue.

1.3 It may sometimes be necessary to pay compensation and make a gesture of goodwill when, for example, the customer makes a complaint regarding the level of service they have received, and it is found this has not met the standards expected by Coastline.

1.4 This Policy is informed by the Housing Ombudsman Service Compensation Guidance: https://www.housing-ombudsman.org.uk/landlords-info/guidance-notes/compensation-guidance/

1.5 There are three types of compensation payment:

- Mandatory (such as statutory home loss payments);
- Quantifiable loss payments (where customers can demonstrate actual loss); and
- Discretionary payments, known as 'gestures of goodwill' (for time and trouble/distress and inconvenience).

1.6 Obligations to provide compensation that arise because of liability, statute or regulation are **out of scope** of this policy and will be payable in line with other relevant policies. This includes:

- Home loss and disturbance payments where customers are required to move permanently from their home;
- Any claim relating to personal injury handled in accordance with the legislative provision relating to liability. Customers should take their own independent advice on such matters; or
- Disrepair claims made through a solicitor when we have failed to remedy a repair after we have been notified that there is a problem. We will aim to achieve an early and appropriate resolution for our customer, to reduce the need to proceed to litigation.

2.0 Responsibility

2.1 All colleagues should be aware of this Policy and Appendices, our Trust Charter and any other policies and procedures relevant to their area of work which may lead to the need to provide compensation or a gesture of goodwill.

2.2 Before considering if compensation or a gesture of goodwill is appropriate colleagues must first check action has been taken or is planned to ensure the customer is no longer experiencing the issue or this is being kept to a minimum.

2.3 In order to minimise inconvenience and dissatisfaction to customers, front line colleagues are empowered to offer 'without prejudice' discretionary compensation payments or a 'gesture of goodwill' to a maximum value of £50, where in accordance with a specific Coastline policy or they are content the offer is justified.

2.4 Payments over £50 and up to £500, (with the exception of cases where it relates to damage to customers belongings) should be agreed with the team managers/team leaders and sign off by the relevant Head of Service before making the offer to the customer.

2.5 Payments up to £200 relating to damage to customers belongings should be with the agreement of the Head of Service and subject to the customer accepting the payment as full and final settlement.

2.6 Payments over £200 relating to damage to customers belongings should be considered in association with the Head of Performance and Data Insights to ensure an appropriate assessment has been undertaken to assess the potential liability. Any offer made will be subject to the customer accepting payment as full and final settlement and with the agreement or Head of Service, Assistant Director or Executive Director depending on the amount agreed.

2.7 Any payments over £500 and up to £1000 must have sign off from an Assistant Director (with the exception of damage to customer belongings as set out in 2.5 and 2.6 above)

2.8 Any payments over £1000 must have sign off from an Executive Director.

2.9 Where the customer is also a colleague or board member further authorisation and action will be required, as detailed within Appendix C Procedure for the Consideration, Calculation and Payment of Compensation and Gestures of Goodwill.

2.10 Also see Appendix C, Procedure for the Consideration, Calculation and Payment of Compensation and a Gesture of Goodwill for financial authorisation limits and more detail regarding action to be taken.

2.11 Colleagues are encouraged, expected and empowered to resolve service issues as 'business as usual', in line with the principles outlined in the Trust Charter, relevant Coastline policy and procedure and process in CRM (the Customer Relationship Management system). Where a customer is not content with the action taken, expresses dissatisfaction, or asks to make a formal complaint, colleagues should follow the Customer Feedback (Compliments and Complaints) Policy.

3.0 Main principles

3.1 Compensation and gestures of goodwill are discretionary and not automatic unless they are in accordance with an agreed policy or procedure, even where mistakes are acknowledged. If we have made a mistake, we aim, as far as possible, to put the customer back in the position where they were before the issue occurred, and therefore minimise the level of dissatisfaction the customer has experienced. This means taking all necessary action to redress the practical situation. This may mean making a compensation payment which is both proportionate and fair.

3.2 Customers accept that occasionally things go wrong, but expect that we make it easy for them to raise an issue, we listen to their concerns, act on these where appropriate, and that we learn when things go wrong to prevent a recurrence.

3.3 All discretionary compensation payments are 'without prejudice' – i.e. they do not constitute an admission of legal liability and are proportionate to the scale of the issue.

3.4 Coastline will normally clear any debts owed by the customer, including rent arrears, from any proposed payment in excess of £50. Following the offset, the balance will then be paid direct to the customer. Exceptions may be made in cases where compensation is being paid to replace an essential item or there is genuine hardship.

3.5 Appendix A shows the different types of compensation, together with a summary of when it may be awarded.

4.0 Discretionary compensation and gestures of goodwill

4.1 Appendix B sets out some service areas for which Coastline may consider making compensation payments together with guidance for assessment and suggested levels of compensation. These levels reflect the Housing Ombudsman Service's own compensation guidance.

The suggested levels intend that payments are both consistent and fair and represent the minimum to be considered for the individual scenarios. However, considerations will always be made on a case-by-case basis and this may be particularly important where a customer or their dependents are at greater risk due to known vulnerabilities.

4.2 Along with the exceptions in section 1.6, examples of when Coastline will **not normally** pay compensation in accordance with the provisions of this policy include (but are not limited to):

- The problem or service issue has caused little or no inconvenience to the customer, and an apology may be sufficient, in addition to putting the issue right;
- Damage has occurred because of disrepair or negligence by the customer, their family or visitors;
- Where the customer has failed to report the repair within a reasonable period of time, unless there are mitigating circumstances;
- The customer did not co-operate or allow access to the property to enable Coastline to deal with the problem;
- Reasonable alternative arrangements were offered by Coastline to resolve the issue but the customer would not accept these;
- Coastline acted reasonably to mitigate any loss or damage.

4.3 Consideration of discretionary compensation or a 'gesture of goodwill' may arise because it is:

- In accordance with a Coastline policy or procedure and/or identified by a colleague where they believe that compensation is an appropriate means of providing redress to the customer for Coastline's service issue (for example a loss of heating or hot water);
- Requested by the customer. This will be treated and managed via the service issue process in CRM; or
- Identified as an appropriate remedy whilst responding to a complaint or service request.

4.4 In each case, a suitable review should be carried out to establish why the issue occurred. This will allow for any learning and/or trends to be identified and addressed and to minimise the chance of the issue arising again.

4.5 Coastline will adhere to any actions or compensation ordered by the Housing Ombudsman Service as part of their findings following a customer escalation of a complaint.

4.6 **Appendix A** – Summary of types of compensation and 'gestures of goodwill' (both in and out of policy scope).

Appendix B – Discretionary compensation and gestures of goodwill guide outlining amounts and things to consider when deciding on compensation payments and gestures of goodwill.

Appendix C – Procedure for the Consideration, Calculation and Payment of Compensation and Gestures of Goodwill.

5.0 Acceptance and Appeal Process

5.1 Customers must advise Coastline within 12 months of the offer of compensation or gesture of goodwill if they wish to accept it or not. Payment of compensation or a gesture of goodwill after this point will not usually be made unless there are evidenced, mitigating circumstances.

5.2 If customers are dissatisfied with action taken in accordance with this Policy they have the right to appeal (i.e. escalate to Stage 2 or to the Housing Ombudsman) in line with the Customer Feedback (Compliments and Complaints) Policy.

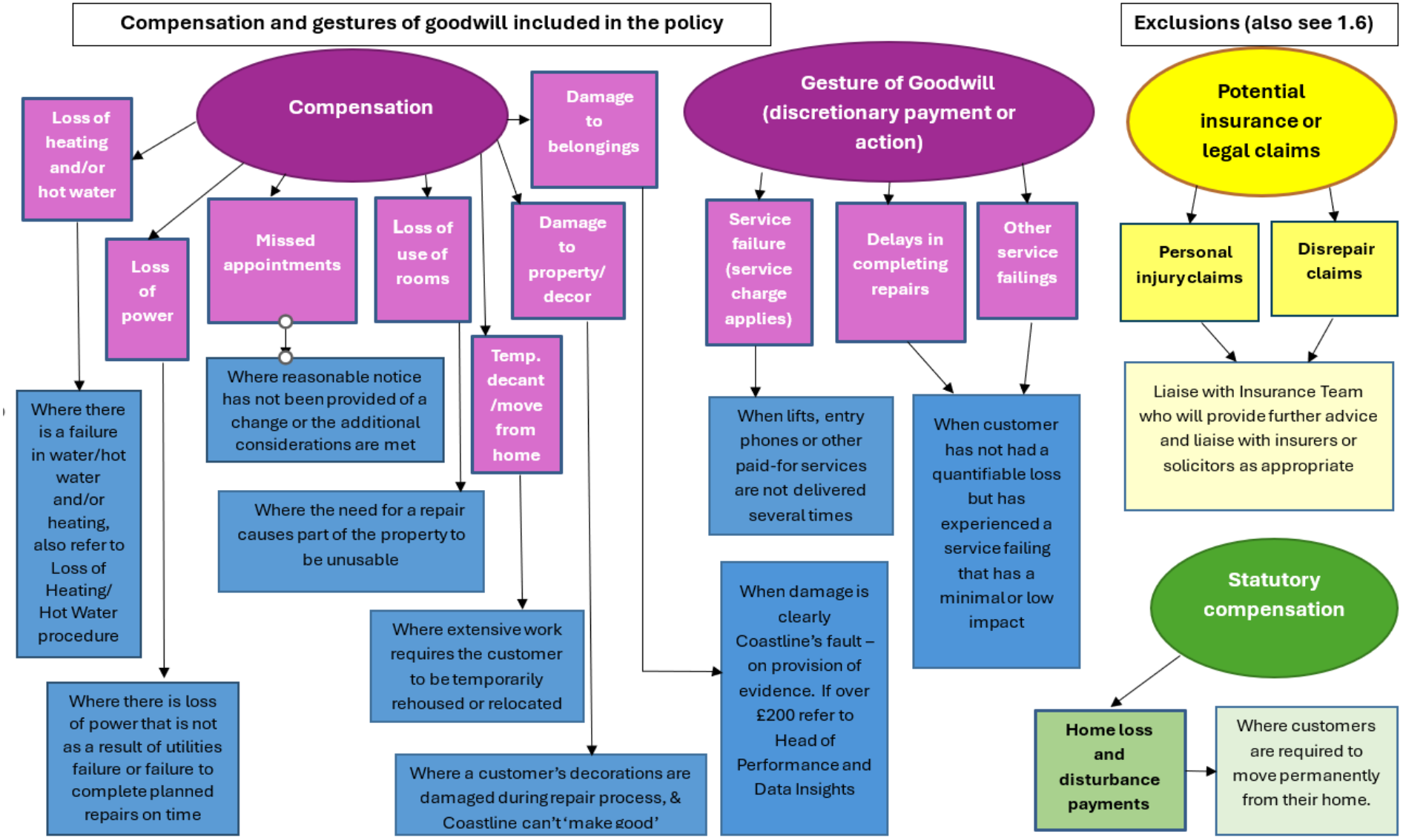
5.3 This policy does not prevent a customer from making use of the Customer Feedback (Compliments and Complaints) Policy, contacting the Housing Ombudsman Service, or seeking legal redress.

6.0 Monitoring and embedding learning

6.1 A summary of payments made and reasons why, for trend analysis and improvements tracking, will be included in quarterly complaints and service improvement reports to the Executive Team and Customer Experience Committee.

6.2 Customer feedback from the annual perception survey (Tenant Satisfactoin Measures) and ongoing transactional surveys for both complaints and service requests will inform live and dynamic learning and continuous improvement for relevant business areas, reporting to the Senior Leadership Team.

Appendix A – Types of Compensation



Appendix B - Discretionary Compensation and Gestures of Goodwill guide

Service Area	Guidance for assessment	Recommended compensation	Additional Considerations
Loss of heating / hot water	**Loss of heating and / or hot water** **Refer the case to 'Property Investment & Compliance'** Team to manage under the Loss of Heating/Hot Water Payments Procedure	Eligible after 3 days without heating/hot water. • May – October inclusive £10 per day for loss of hot water or heating • May to October inclusive - £15 per day for complete loss of hot water **and** heating • November to April inclusive - £20 per day for loss of hot water and/or heating	• Where the use of a room is substantially impaired (unable to be used for its intended purpose), compensation will be based on the rent charged, 'Loss of use of rooms'; • This will not apply where the heating or water is included in a service charge (Crisis, Supported, Miners Court and Garlidna) where a refund will be applied in the following financial year when mid-year actuals are produced.
Loss of power		• £10 per day for complete loss • £10 per week for loss of lighting only	• Does not include loss of power where is a result of a utilities failure or within the timescale of a planned repair/maintenance, reasonable notice has been provided, and works are completed on time; • Additional loss e.g. perishables following loss of electrical supply, should be considered distinctly to the set sums for loss of a service (see quantifiable and unquantifiable financial loss sections); • Where a loss of power also affects heating and/or hot water provision, compensation should be awarded for both loss of power and heating and/or hot water;

Service Area	Guidance for assessment	Recommended compensation	Additional Considerations
Missed appointments		£15 per missed appointment	• Alternative payments may be made by a contractor where this has been within contract terms and conditions; • Coastline will be responsible for making the payment where the missed appointment is because of the failure of theirs or a contractor where no other provision is in place and reasonable notice has not been provided (usually 24 hours or more); • This may also include where Coastline or a representative is unreasonably late, usually by 2 hours or more, and the customer could not facilitate the later appointment; • Where an appointment could not take place because a pre-agreed reasonable adjustment has not been made; • Where the impact on the customer is significant and exceptional, e.g. repeated failure to attend resulting in significant loss of holiday entitlement, additional compensation may be justified.
Loss of the use of rooms	**Loss of the use of part of a property for a period beyond the time advised for the completion of the repair work.**	Compensation is offered for the period beyond the notified repair date, as a percentage of the weekly rent as follows: • Living room = 20% • Bedroom = 20% • Kitchen = 30% • Bathroom = 30%	• Mitigating factors might affect the level of compensation offered e.g. where alternative accommodation has been provided; • If there is an additional impact beyond the loss of rooms, it may be necessary to consider compensation for possible 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 the customers

Service Area	Guidance for assessment	Recommended compensation	Additional Considerations
		• Bathroom where an additional WC is available = 20%	circumstances, including known vulnerabilities; • Discretion will be applied if a property includes a room not listed (e.g. a combined kitchen/living room) and the reasons for this will be explained; • The calculation of compensation for leaseholders, including shared owners, will depend on the terms of the lease and Coastline's repair responsibilities; • Loss of use is separate to considering the individual circumstances of the impact which may result in an additional payment.
Moving out of home	**Where a customer may be required to move out of their home due to the repairs required**. We will work with the customer to reduce the disruption to their life and may contribute towards or cover completely, the expenses incurred, where the resultant work is not due to negligence or maltreatment of the property by the customer.	Claims for expenses will be assessed against actual invoices paid by customers, with a daily expense limit set at £25. Consider additional compensation for emotional distress or general disruption, up to a maximum value of £100.	• Payments are a guide and should be considered on a case-by-case basis taking into account individual circumstances and any known vulnerabilities.
Failure to deliver a service that is subject to a service charge	**A service that was not provided or provided badly.** For example: - Lift not repaired after stated repair date - Communal entrance system not repaired after stated repair date	If service is missed only once or twice, consider a gesture of goodwill only to all affected customers up to a limit of £50 per household.	

Service Area	Guidance for assessment	Recommended compensation	Additional Considerations
	- Landscape/grounds maintenance in the growing season not carried out several times, apart from non-attendance due to poor weather.		
Damage to property / decorations	**Customers' decorations are damaged in the process of carrying out a repair.** Every effort will be made to match existing decorations. When this isn't possible, a fixed decorations allowance can be considered. Note: Claims against contractors will be referred to the contractor for resolution. However, Coastline should pay the customer direct to resolve the issue and seek reimbursement from the contractor if appropriate.	Up to £200, (allowing for wear and tear of damaged items)	
Damage to belongings	**Customer claims their belongings were damaged or lost due to Coastline's actions or inaction,** For claims over £200 the case should be referred to the Head of Performance and Data Insights to identify the potential for a claim.	Assessed amount (allowing for wear and tear) up to a maximum of £200. For guidance, usually an offer of approximately 50% of the value at new can be offered as compensation.	

Service Area	Guidance for assessment	Recommended compensation	Additional Considerations
	- The customer must be visited as soon as possible after the alleged loss occurred to assess the damage incurred. Damaged goods must be available to view, otherwise claim cannot be taken forward. - Head of Performance and Data Insights to confirm if the case should be referred to Coastline's insurers. It is for Coastline's insurance company to assess liability. However, if the damage is small and it is clear that Coastline did cause the damage/loss, an appropriate offer below the value of £200 can be made. The payment must be paid as a "without prejudice" discretionary payment and signed documentation must be obtained from the customer before the payment is made. Note: Claims against contractors will be referred to the contractor for resolution. However, Coastline should pay the customer direct to resolve the issue, and seek reimbursement from the contractor if appropriate.	All claims above £200 or that are complex and may potentially impact on health, must brought to the attention of the Head of Performance and Data Insights to confirm if they should be dealt with by Coastline's insurance company outside of this policy.	

Service Area	Guidance for assessment	Recommended compensation	Additional Considerations
Personal injury	**Any claim of personal injury / impact on health MUST be reported to and handled by Coastline's insurance company.** Personal injury claims MUST NOT be handled under the compensation or Customer Feedback (Compliments and Complaints Policy). All such claims must be passed on to Insurance Team who will pass on the details to Coastline's insurers.	MUST be dealt with by Coastline's insurers outside of this policy. If you receive correspondence from a Solicitor acting for a Third Party, in relation to an alleged injury or damage to Third Party property **it is essential that you do not admit any liability and notify the Head of Performance and Data Insights**	
Gesture of goodwill	**When the customer has not had a quantifiable loss but has suffered from distress, anxiety, frustration, inconvenience, time and trouble** etc as a result of Coastline's service failure or omission. Gestures of goodwill may be considered in addition to any compensation payments outlined above, or as a standalone item.	An appropriate gift such as a bunch of flowers, a box of chocolates or a shopping voucher up to value of £25. For events that have resulted in distress over an extended period, consider payments of up to £25 permonth, up to a maximum of £150.	
Delay in completing repairs	**When the customer has not had a quantifiable loss but has experienced a delay over our target completion date** as a result of Coastline's service failure or omission.	An appropriate gift such as a bunch of flowers, a box of chocolates or a food shopping voucher up to value of £25. For events that have resulted in delay over an extended period, consider payments of up to £25/month, up to a maximum of £150.	

Service Area	Guidance for assessment	Recommended compensation	Additional Considerations
Other Service Failings	• Minimal impact ▪ Short duration, resulting in minimal inconvenience, time and trouble. ▪ Did not affect the overall outcome for the customer. • Low impact ▪ Short duration ▪ May not have significantly affected the overall outcome for the customer. Might include distress and inconvenience, time and trouble, disappointment, loss of confidence and minor delays in getting matters resolved.	An apology may be sufficient or an appropriate gift such as a bunch of flowers, a box of chocolates or a food shopping voucher up to value of £25. Gesture of Goodwill payment up £100.	

These levels of compensation are a guide only. Each case should be dealt with on its merits and there will be times where it's appropriate to exceed these recommended maximums, subject to relevant approvals. This may include where, following the investigation of a complaint in accordance with the Customer Feedback (Compliments and Complaints) Policy, it is found that initial compensation to reflect the inconvenience or distress caused by an issue was insufficient.

Further considerations are detailed below:

Service Area	Guidance for assessment	Recommended compensation or gesture of goodwill	Additional considerations
Service failings identified following a complaint or concern regarding how an issue has been responded to	No permanent impact	Up to £600	• There is a failure which adversely affected the customer; • Coastline has so far failed to acknowledge its failings and/or has made no attempt to put things right; or • Coastline has acknowledged failings and/or made some attempt to put things right but has failed to address the detriment to the resident and/or the offer was not proportionate to the failings identified.
	Significant impact Physical and/or emotional impact	£600 to £1000	• There is a failure which had a significant impact on the customer; • The circumstances for maladministration apply and the redress needed to put things right is substantial; • The circumstances for severe maladministration apply but the redress needed to put things right is at the lower end of the scale.
	Severe long-term impact	£1000+	• There have been serious failings by Coastline; • There was a single significant failure in a service or a series of failures which have had a seriously detrimental impact on the customer; • Coastline's response to the failures (if any) exacerbated the situation and further undermined the Coastline/customer relationship; • Coastline repeatedly failed to provide the same service which had a seriously detrimental impact on customer; demonstrating a failure to provide a service, put things right and learn from outcomes; • The failures accumulated over a significant period of time.

Appendix C - Procedure for the Consideration, Calculation and Payment of Compensation and Gestures of Goodwill

Thisp rocedure forms part of the Compensation and Gestures of Goodwill policy. As well as serving as a checklist, it accompanies the 'Complaints Process' steps in CRM.

Checklist

1**. Has everything been done to redress the situation and consideration been given to whether compensation is required?**
If not, do this as a matter of urgency, e.g. make necessary repair orders and check that the work gets done. If the customer has experienced no or minimal inconvenience and any mistakes / outstanding work has been put right, a payment is not necessary unless specified within the Compensation and Gestures of Goodwill Policy or another Coastline policy or procedure. Always apologise to the customer and recognise the impact on them, even if a payment is required.

2. **Is this a potential claim for personal injury or damage to personal belongings?**
Any claim relating to personal injury or damage to personal belongings over £200 should be passed to the Insurance Team to be dealt with by our insurers and not handled under the Compensation and Gestures of Goodwill Policy. If the damage to personal belongings is minor (e.g. a stain on carpet or sofa, minor water damage), Coastline is at fault, and the damage is under £200, it can be considered as a compensation payment (subject to the customer accepting payment as full and final settlement). If there are any doubts regarding complexity, refer to the Insurance Team.

3. **Has the customer involved a solicitor, e.g. a disrepair claim?**
Do not handle under this policy. Liaise with the Insurance Team so that the issue is dealt with by Coastline's solicitor and insurers. Refer to the relevant Contract Manager to ensure works and full survey of the property have been completed.

4. **If all the remedial work is complete but the customer has suffered some inconvenience and you think a small gesture of goodwill would be appropriate**
Consider a gift of flowers / chocolates / low value shopping voucher. The process in CRM allows for non-monetary gestures of goodwill to be offered.

5. Where there is **a financial sum being offered** as part of **either service issue or complaint**, complete the 'Financial' tab in CRM with the relevant value. This tab within the case will automatically generate the payment request for Finance to process the payment.

NOTE – if the value of the goodwill payment is over £50, the customer should be asked whether they wish for any payment to be credited to their rent account or paid direct, via BACS

The customer can expect to receive the payment within 10 working days of the receipt of the request by Finance.

Where the customer is also a colleague, Board Member, Independent Committee Member or Customer Member and the compensation payment is not for loss of hot water and/or heating, the following steps are required before any payment is agreed or made:

- Complete a Probity Form
- Obtain authorisation from **two directors**
- Retain the Probity Form on the case

6**. Statutory Compensation** payments can only be made with reference to the most up-to-date legislation, and are outside of the scope of this guidance.

7. **If it appears the customer has suffered some loss due to Coastline's action (or inaction)**, be guided by the policy in your assessment and record all your considerations in the CRM case, attaching any evidence (receipts, bills, photographs) as appropriate.

Consider:

- The factors listed where we may or should have awarded compensation in **Appendix B** – Is this one of those instances?

- If your investigation indicates compensation may be payable for specific, **quantifiable loss**, collect all relevant evidence, including a site visit to understand the issue and the impact on the customer, and calculate the amount.

- Should we have listened and responded to the issue raised by the customer in a different way?

Payments – recommendation and authorisation limits

Discretionary compensation payments or gestures of goodwill offered **either** as a result of a formal complaint under the Customer Feedback (Compliments and Complaints) Policy **or** as recognition of a service issue, **will be generated, managed and recorded fully within the associated case within CRM.**

Typically, payments will be made by BACS transfer, so relevant details such as account name, sort code and account number will be needed. Care should be taken to safely handle this information in line with the Data Protection Act 2018.

*See also above where the customer is also a colleague, Board Member, Independent Committee Member or Customer Member.
Authorisation limits for any payments in the scope of this policy are normally:

Type of issue	Financial level	*Who can decide/recommend?	Stage in process
Customer concern, business as usual	Up to £50 Voucher Flowers Chocolates	**Recommended / decided by** Frontline colleagues such as Customer Access Team, Schedulers, Tenancy Management without authorisation at line manager level	At first point No escalation required Record as 'Service Request' in Complaint process
Service Issue/ Failure	£50 per service issue up to a maximum of £500, except where relates to damage to customer belongings where limit is £200	**Recommended by** Team Managers/Team Leaders **Decided by** Head of Service	At first opportunity where colleagues recognise a higher value may be required or Escalation from Complaints/Compliments where cannot be resolved at at earliest opportunity Record as 'Service Request' in Complaint process
Damage to customers property over £200	Over £200	**Following consideration as to the appropriateness of referring as insurance claim: Recommended by** Head of Service in association with Head of Performance and Data Insights **Decided by** Head of Service, Assistant Director or Executive Director depending value	At first opportunity where colleagues recognise a higher value may be required or escalation from Complaints/Compliments where cannot be resolved at earliest opportunity Record as 'Service Request' in Complaint process

Type of issue	Financial level	*Who can decide/recommend?	Stage in process
Severe service failure/ Complaint	£500 to £1000	**Recommended by** Head of Service **Decided by** Assistant Directors	Normally at complaint stage although colleagues are expected to recognise when a severe service failure may require a higher level of compensation.
Severe service failure/ Complaint	Over £1000	**Recommended by** Assistant Director **Decided by** Exec Team	As above

8. **When you think a payment is appropriate and the amount is in excess of £50**, check the customer's rent account to see if they are in rent arrears or they have any other outstanding debts (e.g. re-chargeable repair). If they do, you will need to consider if the compensation payment should offset the outstanding debt. Consult the Income Manager if you are unsure how to proceed. You have some discretion about offsetting the compensation against debt, especially if the compensation is for an essential item or not making payment will cause or increase hardship.

9. There may be **other budgetary implications** outside of this policy that arise from complaints, for example where remedial works need to be undertaken. Whilst the costs of such items do not impact the Gestures of Goodwill budget, they should be considered and recognised, as they may constitute unplanned spend in other budgets. They should be brought to the attention of the relevant Assistant Director **before** confirming with the customer.

10. **Confirm your decision with the customer** – include it in the complaint response letter, if you are responding to a complaint. If you are offering compensation of any kind, you must record this in the check box and then complete the 'Financial' tab, which triggers the payment request. Even if you plan to offset the payment against arrears / other debt (with agreement of the customer), you must record the customer agreement to the full amount offered, and a cover letter (if appropriate) will confirm that some / all of the payment will be made against the outstanding debt.

11. **Capture any commitments and learning** within the CRM case. Regular analysis of payments made and reasons for them will be monitored and used for service improvement. This will include reporting to customers as part of our commitment to listening and responding to customers.

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