



<b>Title: Compensation Policy</b>
<b>Originator: Interim Customer Director</b>
<b>Approval body and date approved: Interim Chief Operating Officer, May 2024</b>
<b>Date for review: April 2027</b>

## 1. Introduction

Magenta Living is committed to delivering services that meet the agreed standards and targets expected by its customers. In recognition of this, the organisation will operate a scheme which will compensate customers for recognised shortcomings in service delivery.

Under certain circumstances, customers have a statutory right to compensation for a failure to complete repairs. Magenta Living may also consider discretionary compensation where there is evidence of significant service failure.

Magenta Living will take all reasonable steps to ensure that its employees and contractors behave courteously and with care in the homes of its customers. This approach is reinforced within the values and standards expected of the organisation's employees against which they are monitored.

Magenta Living will still acknowledge when it is at fault and will take positive steps to put matters right and to prevent any reoccurrence. This may include some form of compensation where appropriate as well as the implementation of service improvements as required.

## 2. Statement of Intent

This policy is specifically intended to facilitate the payment of compensation to customers in circumstances where:

- the law or regulation requires compensation to be paid
- customers have suffered a material loss as a result of service failure
- it is an appropriate and proportionate response to a service failure

Any form of compensation will be:

- reflective of the perceived scale of loss, inconvenience and/or distress caused based upon the customer experience
- in recognition of the vulnerabilities of some customers in line with Magenta Living Vulnerable Persons Policy

Monitoring of compensation claims and payments made will be applied to:

- identify any trends or causal factors associated with claims
- identify appropriate remedial measures and actions
- inform the review of service standards
- inform service improvement and preventative actions

### **3. Policy**

This operational policy provides a broad outline of the scope of **statutory compensation** and gives details relating to **discretionary compensation** payments to customers. This policy does not address the administration or application of insurance claims (including personal injury) or disrepair claims.

Compensation will not be paid whilst there are outstanding insurance claims or pending legal action which relates to the same subject.

There are two types of compensation payment that Magenta Living will make. The first relates to payments that Magenta Living is *obliged* to pay in certain circumstances in accordance with the law or regulations.

The second relates to *discretionary* compensation payments that Magenta Living may pay in circumstances including service failure, accidental damage to personal goods, or inconvenience caused. Where Magenta Living has failed to achieve an expected standard of service delivery, attempts will be made to resolve the issue by identifying the service failure and putting it right. This means Magenta Living will try to restore the customer to the position they would have been in had there been no service failure. All cases are treated on their own individual merits and discretionary compensation payments are only one way of achieving this. In some circumstances, an apology or other restorative action(s) may be sufficient to demonstrate that Magenta Living acknowledges and addresses its failures.

#### **3.1 Statutory Compensation**

##### ***Home loss payments and disturbance allowance***

Such claims relate to statutory home loss payments and disturbance allowance including expenses payments. These circumstances arise from having to move home to allow for demolition or for major works to be completed and are managed in accordance with current relevant legislation.

"For further information and guidance, please consult the latest version of ["The Home Loss Payments \(Prescribed Amounts\) \(England\) Regulations."](#)

"Disturbance allowance" is a payment to reimburse a homeowner for the actual costs of moving. It is payable for any person who is decanted, no matter how short a period. It is not fixed; the payments are based on the actual costs incurred during the move and therefore require original receipts and invoices. A resident is entitled to a statutory disturbance payment if they are moved permanently, but Magenta Living operate a discretionary disturbance payment scheme for temporary moves as well.

### ***Right-to-Repair***

The 'Right to Repair' scheme will apply in accordance with the rights given to some but not all tenants under the Secure Tenants of Local Housing Authorities (Right to Repair Regulations 1994) and dependent upon the type of tenancy agreement held. Magenta Living will comply with the scheme under which small essential repairs must be carried out within reasonable and specific timescales. Further details about how Magenta Living comply with the scheme can be found in our Responsive Repairs and Maintenance Policy. For guidance regarding compensation amount or the types of repair which are covered, please see the Citizens Advice article entitled ["Using the right to repair scheme."](#)

### ***Improvements carried out to the home***

Where relevant and within the scope of the statutory 'Right to Improve', tenants who have carried out approved improvements to their home are entitled to compensation. This applies when the tenancy is terminated with the improvements in situ. Further details regarding the process residents must follow before making improvements can be found in Magenta Living's Repairs and Maintenance Guidance. For advice and guidance around qualifying improvements and calculating compensation, please see the relevant legislation ([The Secure Tenants of Local Authorities \(Compensation for Improvements\) Regulations 1994](#)).

### ***Delays in the Right to Buy Procedure***

There may be specific circumstances where delays in the progression of an application to purchase your home under the government "Right to Buy" scheme entitle you to an additional discount. For further details regarding qualifying delays and how to apply, please consult the latest version of [The Housing \(Right to Buy Delay Procedure\) \(Prescribed Forms\) \(Amendment\) Regulations 1993 \(legislation.gov.uk\)](#).

## **3.2 Discretionary Compensation**

### ***Damage to personal property***

Tenants are responsible for arranging insurance for their home contents. This is their recourse in seeking to address damage to items such as furniture, belongings and decorations due, for example, to fire, theft, vandalism or burst pipes. In such circumstances, tenants will be expected to claim from their insurance provider and thus retain any damaged property for inspection purposes.

Magenta Living, in partnership with a third-party insurance provider, can provide information about and access to, low-cost contents insurance to assist its tenants. The organisation will regularly promote the need for tenants to take out contents insurance.

In addition to the above recommendations, there may be situations where it is appropriate to consider a claim via Magenta Living's Building Insurance Policy. In such circumstances, the organisation will provide details about how to initiate a claim or to add information to an existing or ongoing claim. Residents who contribute towards the Building Insurance Policy such as leaseholders will also be provided with contact details and a policy summary annually when service charges are reviewed.

### ***Service Failures***

Magenta Living will also recognise where it has failed to meet its normal standard of service and may consider making a discretionary payment commensurate with the severity of the complaint (see Payment of Compensation below). Such payments are known quantifiable loss payments e.g. increased heating bills due to disrepair, having to pay for alternative accommodation or take away food, paying for cleaning or carrying out repairs where a landlord has failed to meet its obligations. Any such costs must have been reasonably incurred and compensation is paid in the form of a 'without prejudice' payment. Proof of costs incurred will be required in such circumstances.

### ***Exclusions***

Compensation will not be paid where:

- investigations show that there was no service failure
- there is personal injury
- a claim is being handled through Magenta Living's Insurers
- poor service has resulted from circumstances beyond the control of the organisation, for example adverse weather, failure of utility providers (gas, electricity, water)

Unless otherwise stated or superseded by a revised proposal, any offer of discretionary compensation will remain valid for six months from the date it is made.

## **3.4 Compensation through third parties**

There will be circumstances where a customer may seek compensation for the actions of a third-party organisation / individual working on behalf of Magenta Living. In such cases, Magenta Living will usually assist customers by coordinating any complaint or request for compensation. If the issue falls outside of Magenta Living's remit, we may direct customers to complain directly to the third party.

## **3.5 Payment of Compensation**

Statutory compensation within Magenta Living will always be agreed at an Executive level as a minimum and coordinated by the team or business area handling the query or dispute.

Discretionary compensation payments can be agreed by various colleagues throughout Magenta Living in line with the current authorisation schedule which defines the maximum amount any colleague can authorise. Where a dispute occurs

regarding such payments, the issue will be referred to the Customer Experience Team for a decision to be taken at senior level.

Compensation may be offered in a format deemed appropriate based upon the nature of the issue or impact being considered. These methods of payment include cash settlement via BACS or cheque, decorating vouchers or a credit towards an individual rent account. In the case of the latter and where any arrears are present at the time of payment, please note that any credit would first be used to clear these arrears before putting the account in credit.

### **3.6 Learning from Compensation Claims**

All forms of compensation claims will be recorded and reviewed. Any learning points, service improvements or changes will be communicated to customers in a similar format to that of Magenta Living's Complaints process. Details and analysis will be included within quarterly reports to Managers, Heads of Services, the Senior Leadership Team and the Board of Directors. The aim is to ensure that the organisation listens to and learns from customers in how it does things.

## **4. Implementation**

All staff need to be aware of the Compensation Policy to be able to respond to customer enquiries and proactively invoke the policy where it is appropriate to do so. Magenta Living's Customer Experience Team will advise, lead and oversee the delivery of discretionary compensation.

The policy will be effective from 7 May 2024. Relevant staff will be made aware of the policy through an internal communication. The policy will also be uploaded to Insite and the Magenta Living website.

This policy should also be read in conjunction with the following associated policies:

- Complaints Policy
- Vulnerable Persons Policy
- Accessible Homes Policy
- Divestment Policy
- Responsive Repairs and Maintenance Policy
- Repairs and Maintenance Guidance
- Rent Collection Policy

The Customer Director will have overall responsibility for the implementation of this policy.

The Customer Experience Team will have responsibility for reporting the overall levels of compensation issued to customers as well as any relevant themes or trends to the Board of Magenta Living.

The Customer Experience Manager will sign off the review of compensation performance.

## **5. Consultation**

The views of Magenta Living's Senior Leadership and Governance Teams, Magenta Communities Committee and our customers have been considered and incorporated within the continuous development of this policy.

## **6. Equality Analysis (EA)**

We believe all people should be treated with dignity and respect regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including, nationality, ethnic or national origins), religion, belief or non-belief, sex, or sexuality or by association with someone with any of these characteristics or perception of having any of these characteristics.

The EA for this policy was undertaken on 15 September 2023 and was rated as green. (See the full EA document for further details)

## **7. Monitoring Performance**

This policy's effectiveness will initially be measured using any combination of the following performance indicators:

- Amount of compensation paid (including total volume, number of payments as a proportion of complaints / dissatisfaction, average payment amount)
- Method of payment utilised
- Root cause of compensation payments (in conjunction with data captured under the complaints policy and procedure)

The precise details around monitoring, analysing and reporting of compensation is expected to evolve as we develop and improve our data and insight as well as responding to regulation and best practice across the housing sector.

## **8. Scheme of Delegation**

The responsible authority for approving this policy is the Interim Chief Operating Officer and it was approved on 7 May 2024.

The Responsible Director for formulating this policy and ensuring its effective implementation is the Interim Customer Director.

## 9. Policy Review

The policy will be reviewed every 3 years or earlier if deemed necessary through the performance monitoring process or there are any regulatory or legislative changes that have taken place which require immediate amendment.

## 10. Amendment Log

Date of revision:	Record of amendments:	Reason for revision: