1. Policy Name: Compensation and Reasonable Redress

2. Policy Summary

2.1. This policy sets out how Midland Heart will provide remedies that are fair, reasonable and proportionate where our action, inaction or service failure has adversely affected a tenant or resident.

2.2. This policy provides a framework to support fair and consistent compensation decisions. However, each case will be considered on its individual circumstances and the impact on the complainant. This policy is to be applied in conjunction with the Complaints Policy.

3. Aims & Objectives

3.1. This policy aims to ensure that we:

- Take a fair and consistent approach towards remedies.
- Act in line with the Housing Ombudsman's Complaint Handling Code and Remedies and Compensation guidance.
- Have a tenant centred approach and empower employees to reach fair outcomes.
- Take a broader approach to redress by considering remedies beyond financial compensation.
- Provide remedies that are proportionate to the service failure and reflect the impact on the tenant.
- Consider remedies offered based on the merits and circumstances of each individual case and the tenant's individual needs.

4. It applies to...

4.1. The policy applies to all Midland Heart tenants, leaseholders, shared owners and members of the public who have been directly affected by our activities. This includes:

- Anyone who has applied for our homes
- Anyone who uses our services
- A member of the public who has been directly impacted by a decision we have made or a failure in our service provision.
- Anyone who has made a complaint on behalf of a deceased tenant, as long as they can provide legal evidence that they are the executor of the estate.

We refer to any non-tenant as "Residents" in this policy.

5. Policy Principles

5.1. We will consider remedies, including compensation, when a complainant has experienced financial loss, distress, inconvenience, or unnecessary time and trouble as a result of our actions or omissions, or those of a third party contractor working on behalf of Midland Heart.

5.2. A formal complaint does not need to be raised for a remedy to be provided. This can be done locally, in line with this policy.

5.3. Examples where we may offer remedies include where:

- A tenant has experienced unreasonable delay or a sub-standard service
- A tenant has been provided misleading, insufficient or inadequate information.
- We failed to follow our policy and procedure without good reason.
- A tenant has experienced unprofessional behaviour by our employees or contractors.
- A tenant has experienced a loss of facilities or use of all or part of their home.
- A tenant has experienced financial or material loss.

6. Types of Remedies

6.1. The purpose of redress is to put the resident, as far as possible, back in the position they would have been in had the failure not occurred.

6.2. Compensation is one form of remedy however we will consider a wider range of remedies available, including but not limited to:

- A sincere and well-worded apology from an appropriate person/team.
- Recognition that things have gone wrong and the impact caused.
- Practical actions (such as offering to undertake repairs or redecoration which would otherwise be a customer's responsibility).
- Gestures of goodwill (e.g. vouchers, chocolates, flowers).
- An explanation for any shortfalls in service.
- Details of any learning and the actions being taken to improve the service

6.3. Each case will be considered on its own merits, taking account of the severity, duration and impact of the failure, the complainant's individual circumstances, and the Housing Ombudsman's remedies and compensation guidance.

7. Categories of compensation:

7.1. In instances where financial compensation is an appropriate form of redress, we will consider compensation under the following headings.

- **Mandatory payments** such as home loss and disturbance payments (7.5)
- **Quantifiable financial loss** including loss of use of the property or loss of amenity and specific compensation payments for defined service failures (7.6)
- **Unquantifiable financial loss** (7.7)
- **Discretionary payments** including compensation for distress, inconvenience and time and trouble, or compensation arising from complaint handling failures (7.8)

7.2 A case may involve one or more of these categories. We will avoid duplication when calculating the overall remedy.

7.3 To provide consistency in how we quantify any redress we will maintain a compensation matrix setting out baseline payments for defined service failures, including missed appointments, prolonged loss of heating, hot water, power or lighting, and other failures where a consistent standard payment supports fairness and early resolution.

7.4 The framework will be kept under review against Housing Ombudsman guidance and may be departed from where the individual circumstances justify a higher or lower award, provided the reasons are recorded clearly.

7.5 Mandatory payments:

7.5.1 Mandatory payments are payments we are required to make because they arise from a legal, contractual, regulatory or policy obligation. This could include home loss, disturbance, improvements and payments under the Right to Repair scheme.

7.5.2 These payments will usually apply where a tenancy agreement, compensation scheme, published standard or other binding requirement says a payment must be made once the relevant criteria are met.

7.6 Quantifiable financial loss:

7.6.1 We may reimburse actual financial loss where the loss was directly caused by our service failure, was reasonably incurred and can be evidenced appropriately.

7.6.2 This may include, for example, additional heating or utility costs, reasonable food costs, travel expenses, cleaning costs, laundry costs or the reasonable cost of works a resident had to arrange because Midland Heart failed to meet its obligations.

7.6.3 Where our service failure results in a resident losing the use of part or all of their home, or losing access to an important facility or service, we will consider compensation for loss of use or loss of amenity.

7.6.4 This may apply where a room cannot reasonably be used for its intended purpose, where there is a complete or partial loss of heating, hot water, lighting or power, or where the impact of repairs or unresolved defects substantially limits normal occupation.

7.6.5 In assessing the award, we will consider the room or service affected, the degree of loss, the duration, the rent charged, and the effect on the household.

7.7 Unquantifiable financial loss:

7.7.1 Where a resident has suffered financial detriment that cannot be precisely evidenced, we may make a reasonable award based on the balance of probabilities and the circumstances of the case.

7.8 Discretionary payments:

7.8.1 We may also award compensation for distress, inconvenience, disruption, and time and trouble caused by our failings, including where residents have had to repeatedly chase us, rearrange their daily lives, or pursue matters through the complaints process because we failed to act properly or promptly.

7.8.2 These payments are discretionary and will depend on the circumstances of the case, including the nature of the failure, the impact on the resident, the duration of the issue and whether other remedies have already been offered.

7.8.3 In assessing discretionary compensation, we will, alongside using our compensation matrix where appropriate, consider the overall impact on the resident. For consistency, in line with Housing Ombudsman compensation guidance, impact may be assessed as minor, moderate or severe, taking account of the duration of the failure, the seriousness of the effect on the resident, whether the resident was required to make repeated effort to secure resolution, and whether vulnerability or household circumstances increased the impact.

7.8.3.1 **Minor impact:** where the failure had a limited effect on the resident, was of short duration, and was resolved without significant disruption or repeated effort by the resident.

7.8.3.2 **Moderate impact:** where the failure had a clear and sustained effect on the resident, caused inconvenience, disruption, uncertainty or avoidable distress, and required time and trouble or repeated contact to secure resolution.

7.8.3.3 **Severe impact:** where the failure had a serious or prolonged effect on the resident or household, significantly affected the resident's use of their home or wellbeing, or was materially worsened by vulnerability, household circumstances, repeated failures, or substantial delay.

7.8.4 We may also make discretionary payments where failings in complaint handling caused additional distress, inconvenience, delay, uncertainty, or time and trouble for the resident. This includes failures such as not recognising a complaint, avoidable delay in responding, failing to address all complaint points, poor communication, or failing to act on agreed resolutions.

7.8.5 Compensation for complaint handling will be considered separately from compensation for the underlying service failure, while ensuring the overall remedy remains proportionate and avoids duplication.

8 Aggravating and mitigating factors to remedies:

8.1 When deciding the appropriate remedy, we will consider whether the impact of the failure was increased by the resident's individual circumstances. This includes, where relevant, disability, health conditions, age, pregnancy, the presence of children, caring responsibilities, communication needs, known vulnerabilities, and any other household circumstances that increased the seriousness of the impact.

8.2 We will consider aggravating factors such as repeated failures, unreasonable delay, poor communication, failure to follow policy, and complaint handling failures.

8.3 We will also consider mitigating factors such as if a tenant's actions have influenced our ability to complete an action or deliver a service, we will factor this in to make sure our remedy is balanced and proportionate. Examples of this could include:

- Fail to communicate clearly with us.
- Not bring matters to our attention within a reasonable timeframe.
- Decline to help clarify their complaint.
- Not respond to contact from us.
- Repeatedly refuse access to inspect, assess or deliver a service

- Pursue their complaint in an unreasonable or excessive way.

9 Payment, arrears and recording

9.1 Compensation offers will be confirmed in writing and will explain what the payment is for, how it has been calculated, and whether it relates to one or more categories of loss.

9.2 Compensation as a result of a complaint will normally be paid directly to the resident via BACS. This will not routinely be credited to a rent account. Any proposal to offset compensation against arrears will only be considered in exceptional circumstances in line with Housing Ombudsman guidance, and the individual facts of the case.

9.3 Compensation that is not awarded as a result of a complaint may be offset against rent arrears or deductions if there is a legal basis to do so. This will be explained to tenants or their legal representative.

9.4 We will aim to process compensation payments within 10 working days of receiving the required bank details. As part of our payment process, we will use verification checks to confirm the identity of the recipient and ensure the bank details provided are valid. Once the payment has been processed, funds should be received into the nominated bank account within 20 working days of us receiving the details.

9.5 We will keep a clear record of offers made, payments approved, reasons for decisions, and any learning or service improvements identified.

10 Exclusions

10.1 Compensation will not be paid where:

- Circumstances were beyond our control (e.g., severe weather, staff shortages arising from unforeseen circumstances such as sudden illness or emergencies)
- Damage caused was by the tenant, household members or visitors
- An appointment is postponed with at least 24 hours' notice, in line with the tenancy agreement.
- Damage or detriment was caused by a third party not working on behalf of Midland Heart
- In cases where there has been a failure to supply services subject to a Service Charge we will consider a refund of service charges. Refunds are treated differently to compensation payments and there should be a clear distinction when calculating payments. Where these charges are met through Housing Benefit or Universal Credit payments we will generally refund to the rent account and notify the administering authority to avoid the customer being put in the position of receiving payments to which they are not entitled.
- Loss of Wages- We do not generally reimburse tenants for time off work, loss of wages or loss of employment whilst repairs or planned works are carried out as tenants are required to give access for repairs to be carried out as required. There may be circumstances when it is appropriate to pay compensation in recognition of any inconvenience where repairs appointments are repeatedly missed or fail to resolve the repair issue.
- Claims for damage to belongings, property damage or personal injury will normally be considered separately from compensation under this policy. Tenants are generally expected to hold their own contents insurance for accidental loss or damage to

personal belongings. However, where there is an allegation that Midland Heart's action, inaction or negligence caused damage, injury or loss, we may refer the matter to Midland Heart's insurer or handle it through the appropriate liability process, particularly in the event of high-cost item replacement. This does not prevent Midland Heart from considering a separate remedy under this policy for any related service failure, including distress and inconvenience, time and trouble, loss of amenity, or complaint handling failures. We will avoid duplication so that the same loss is not compensated twice where these are appropriate.

- The complaint relates to a disrepair claim that is currently going, or has been through, the legal claim process
- A complaint has previously been considered or decided by the Housing Ombudsman Service

11 Governance

11.1 We will set out delegated approval limits for compensation awards and will provide guidance to colleagues to support fair and consistent decision-making.

11.2 Compensation trends, payment levels, complaint handling failures, and learning outcomes will be monitored regularly and reported to our Board and Operations Committee.

11.3 This policy will be reviewed when there are changes to legislation, regulation, or Housing Ombudsman guidance, and at least every three years.

12 Reasonable Adjustment and Support

12.1 We are committed to fairness and equality for all regardless of their colour, race, ethnicity, nationality, gender, sexual orientation, marital status, disability, age, religion or belief, family circumstances or offending history, as referred to in our relevant Group policies. Our aim is to ensure that our policies and procedures do not create an unfair disadvantage for anyone, either directly or indirectly. An Equality Impact Assessment has been completed on this policy.

13 Related Law & Regulations Legislation

Legislation/Regulation	Relevance to This Policy
Housing and Regeneration Act	Provides a framework for housing related complaints.
Equality Act 2010	Provides a framework for housing related complaints.
Localism Act 2011	Localism Act changes the way that complaints are dealt with once the complaints process of the landlord has been exhausted. The emphasis is that, where possible, complaints should be resolved at a local level, and this should ultimately reduce the numbers that are escalated to the Housing Ombudsman.
Human Rights Act 1998	Under the Equality Duty of the Human Rights Act, organisations have a duty to promote equality of opportunity. That duty applies when decisions about individuals are being made. Article 8 refers to the right to respect the right to private and family life.
Housing Ombudsman Complaints Code 2024	Sets the requirements for complaint handling and learning. Statutory from April 2024.
Housing Ombudsman Remedies and Compensation guidance	Provide guidance to landlords on remedies appropriate for landlords to resolve complaints.
General Data Protection Regulation 2018 (GDPR) guidance.	All information held about our tenant, residents or colleagues must be in line with the Midland Heart Data Protection Policy, Data Protection Procedure and General Data Protection Regulation 2018 (GDPR) guidance.

Review: Every 3 years or in line with regulatory requirements

V.6- alignment to HOS Compensation Guidance 2026