Compensation Policy

September 2026

MONITORING, APPROVAL AND REVIEW	
Lead Officer / Author	Sara Smith, Head of Customer Services
Version No/Date	No 2 – May 2026
Version Notes	Formerly Remedies and Compensation Policy
Publication	Public/Published (available on Website)
Consultation	Governance Board Member for Complaints Complaint Customer Group
Equality Analysis	Yes
Approved by	Board
Approval date	September 2026
Review Frequency	The Policy will be reviewed every three years or in line with legislative or regulatory changes. Due August 2029
Related Policies	Complaints Policy, Repairs Policy, ASB Policy, Customers with Additional Needs Policy, Data Protection Policy

Compensation Policy

Table of Contents

Table of Appendices

1 Introduction

1.1 First Choice Homes (FCHO) is committed to treating every customer with respect, fairness, and dignity. We recognise that when service failures occur, it is important to put things right promptly and ensure customers receive appropriate redress.

This policy sets out FCHO's approach to compensation and ensures decisions are:

- Fair and proportionate
- Transparent and consistent
- Based on the impact on the customer

1.2 This policy aligns with the Housing Ombudsman's Complaint Handling Code and Remedies Guidance.

2 Scope

2.1 This policy applies to all staff, contractors, and service providers acting on behalf of FCHO and covers all customer interactions, including:

- Repairs
- Tenancy management
- Complaints
- Safeguarding

2.2 It also applies to:

- Energy-related complaints involving heat network customers.
- Data protection complaints
- Social Tenant Access to Information Requirements (STAIRs)
- Disrepair cases where a Letter of Claim has been received.

2.3 The Legal team will manage disrepair cases. Complaints may run alongside legal processes unless court proceedings are issued.

2.4 Where a customer has also pursued a disrepair claim or legal settlement relating to the same issues, FCHO will ensure compensation is not duplicated. Complaints and disrepair matters may be managed alongside each other unless court proceedings have been issued.

2.5 Where compensation or damages have already been paid through a legal settlement, insurance claim, or court process, additional compensation will not normally be awarded for the same detriment

3 Policy Purpose

3.1 This policy sets out FCHO's commitment to:

- Provide fair and consistent compensation.
- Recognise and respond to customer impact.
- Ensure transparency in decision-making.

- Support learning and service improvement.

4 Policy Principles

4.1 FCHO will apply the following principles when considering compensation:

- **Fairness**: Compensation will reflect the actual impact on the customer.
- **Proportionality**: Awards will be appropriate to the severity and duration of the issue.
- **Customer Focus**: We will consider individual circumstances, including customers' vulnerabilities and additional needs.
- **Consistency**: Similar issues will result in similar outcomes across the organisation.
- **Transparency**: We will clearly explain how compensation decisions are made.
- **Putting Things Right**: Compensation is only one form of remedy. Where service failure has occurred, FCHO will consider the most appropriate actions to put matters right, which may include an apology, explanation, corrective action, service improvement, practical support, reimbursement, compensation, or a combination of these measures.

5 Definitions

- **Quantifiable financial loss**: Evidenced costs directly caused by FCHO failure.
- **Unquantifiable loss**: Distress & Inconvenience (D&I) and Time & Trouble (T&T), assessed by impact.
- **Specific compensation payments**: Standard or baseline compensation payments (for example, missed appointments and loss of services).
- **Maladministration**: A finding by the Housing Ombudsman that FCHO's actions or omissions fell below the standard reasonably expected. Findings may include service failure, maladministration, or severe maladministration.
- **Remedy**: Actions taken to resolve an issue and put things right.
- **Compensation**: Financial or non-financial redress.
- **STAIRs**: Social Tenant Access to Information Requirements. These are the requirements that help social housing customers access certain information about their landlord's performance, standards, and services.

6 When FCHO Will Consider Compensation:

6.1 Compensation may be offered where FCHO has caused:

6.2 The examples in this section are illustrative and not exhaustive. FCHO may consider compensation in other circumstances where service failure has caused detriment, and each case will be assessed on its own facts and on a case-by-case basis.

- Financial loss
- Distress or inconvenience.
- Time and effort in resolving issues.
- Loss of essential services
- Complaint handling failures

6.3 Compensation may also be considered where service failure relates to communication, record keeping, safeguarding, reasonable adjustments, information management, or any other landlord responsibility that has caused detriment to the customer.

6.4 FCHO will not normally pay compensation where:

- There is no evidence of service failure by FCHO.
- Losses would have occurred regardless of our actions.
- Costs were not reasonably incurred.
- The same loss, detriment, or matter has already been compensated through a legal claim, disrepair settlement, insurance process, Ombudsman award, or another compensation process.

6.5 In relation to STAIRs, FCHO will not normally pay compensation where:

- Information was withheld lawfully, for example due to statutory exemptions.
- FCHO does not hold the information requested (providers are not required to create new records).
- The issue relates to matters outside the scope of STAIRs (e.g., local authority decisions, non-social housing functions).
- Requests that fall outside the definition of ‘relevant information’ under STAIRs

7 Relationship with Insurance and Legal Claims

7.1 Where property damage or third-party liability is involved, FCHO may advise customers to pursue an insurance claim. However, this does not remove our duty to provide fair redress for service failure impacts (e.g. distress and inconvenience, time and trouble, and complaint handling).

7.2 Claims relating to personal injury or damage to personal property will be managed through insurance and legal processes and fall outside the scope of the complaints process in terms of determining liability or awarding damages.

7.3 FCHO may still award compensation for:

- Distress and inconvenience.

- Time and trouble
- Complaint handling failures

8 Calculation Framework

Types of Compensation

8.1 FCHO will consider compensation where service failure has caused detriment to a customer. Compensation will be assessed fairly, proportionately, and regarding the individual circumstances of the case.

- Quantifiable financial loss.
- Distress and inconvenience (D&I).
- Time and trouble (T&T).
- Complaint handling failures.
- Specific compensation payments.

8.2 Compensation may be applied across more than one category where appropriate. Where this happens, FCHO will avoid duplication and ensure the overall award reflects the total impact experienced by the customer.

8.3 Indicative compensation ranges and standard payments are set out in **Appendix A.**

8.4 FCHO may offer a remedy, including compensation, at any stage of service delivery or complaint handling where this represents a fair and reasonable way of resolving the matter and putting things right.

Quantifiable Financial Loss

8.5 FCHO may reimburse actual evidenced costs reasonably incurred because of service failure.

8.6 Evidence such as receipts, invoices, tenancy records, or other supporting documentation may be required.

8.7 Where documentary evidence is unavailable, FCHO may consider other reasonable evidence and the circumstances of the case when determining whether reimbursement is appropriate.

8.8 In determining an appropriate remedy, FCHO will have regard to the Housing Ombudsman's Dispute Resolution Principles of being fair, putting things right, and learning from outcomes.

8.9 Awards will:

- Reflect reasonable and evidenced loss only.
- Exclude betterment.
- Avoid duplicate recovery.
- Take account of compensation already paid through another process or Ombudsman scheme.

Distress and Inconvenience (D&I)

8.10 Awards for D&I will consider:

- The severity and duration of the issue.
- The cumulative impact of repeated failures.
- Any loss of use of a room, facility, or part of the home.
- Any loss of use or enjoyment of the home.
- The customer's vulnerabilities, additional needs, or personal circumstances.
- The extent to which the service failure affected the customer's wellbeing or ability to reasonably enjoy and use their home.

8.11 Indicative D&I ranges are:

Band	Typical Situation	Indicative Range
Low	Minor inconvenience or short delays with limited impact	£25–£100
Medium	Moderate inconvenience, repeated failures, or avoidable disruption over time	£101–£300
High	Significant or prolonged impact, serious disruption, repeated failures, or cases involving vulnerability	£301–£1,000
Exceptional	Severe, long-term, or cumulative impact significantly affecting the customer's wellbeing or use of the home	Over £1,000 subject to Director approval

8.12 These ranges are guidance only and reflect FCHO's approach to assessing unquantifiable loss proportionately and consistently in line with Housing Ombudsman expectations.

Time and Trouble (T&T)

8.13 Awards for T&T may apply where customers have experienced avoidable effort such as:

- Repeatedly chasing responses or updates.
- Having to provide the same information more than once.
- Escalating complaints due to poor communication or lack of action.
- Making unnecessary additional contact because issues were not resolved appropriately.

8.14 Indicative T&T ranges are:

Band	Example Indicators	Indicative Range
Low	One or two unnecessary chasers or avoidable contacts	£20–£50
Medium	Several chasers, unclear communication, or repeated avoidable contact	£51–£150
High	Significant customer effort, repeated failures, or escalation due to poor handling	£151–£300

8.15 Complaint handling failures and customer effort may justify separate consideration from distress and inconvenience. Care will be taken to avoid duplication while ensuring all distinct detriment is recognised.

Specific Compensation Payments

8.16 FCHO may apply standard or baseline compensation payments in defined circumstances.

8.17 FCHO will have regard to the Housing Ombudsman's published remedies guidance and any applicable standard compensation figures in force at the time.

8.18 Current indicative baseline payments include:

Circumstance	Indicative Amount	Notes
Missed appointment	£15 per missed appointment	May apply where FCHO or its contractor failed to attend an agreed appointment without adequate notice.
Complete loss of heating and hot water	£15 per day	May apply for avoidable loss of both services, in addition to any wider award for distress, inconvenience, or vulnerability-related impact where justified.
Loss of heating only or hot water only	£8 per day	May apply where one essential service was lost and the impact was not already fully addressed through another payment.
Complete loss of power	£10 per day	May apply where the customer lost all power due to a service failure within FCHO's responsibility.
Loss of lighting only	£10 per week	May apply where lighting was unavailable but there was not a complete loss of power.

8.19 These figures are intended to support consistency and early resolution but do not remove the need to assess the full circumstances of each case, including duration, cumulative impact, vulnerabilities, complaint handling failures, and any evidenced financial loss.

Complaint Handling Failures

8.20 FCHO may award compensation where complaint handling falls below expected standards, including avoidable delay, poor communication, failure to address complaint issues fully, failure to keep the customer updated, unreasonable complaint handling conduct, or failure to complete agreed actions. In assessing redress, FCHO will have regard to the Housing Ombudsman's remedies and compensation guidance and the individual impact on the customer.

8.21 Complaint handling awards may form part of Time and Trouble and/or Distress and Inconvenience awards where appropriate. However, where complaint handling failure has caused distinct additional detriment, FCHO may make a separate award to recognise that impact. FCHO will ensure awards remain fair, proportionate, and do not duplicate compensation already provided under another category.

Band	Typical Situation	Indicative Range
Low	Minor complaint handling failure with limited impact, for example a short delay or omission that was put right quickly	Up to £50
Medium	Avoidable delay, poor communication, or additional effort in pursuing the complaint	£51–£100
High	Significant complaint handling failure, repeated delay, failure to follow process, or failure to act on findings	£101–£600
Severe	Serious or prolonged complaint handling failure that significantly worsened the customer's experience or delayed resolution	Over £600

Aggregation and Reasonableness

8.22 Where more than one issue or category of detriment has been identified, compensation awards may be combined.

FCHO will:

- Consider the overall impact on the customer.
- Ensure the final award is fair, proportionate, and reasonable.
- Avoid duplication between compensation categories.
- Consider compensation already awarded through legal, insurance, or Ombudsman processes.

8.23 The final decision will reflect the overall circumstances of the case rather than the mechanical addition of individual sums.

FCHO will provide a clear written breakdown of:

- The categories considered.
- The amounts awarded.
- The reasons for the decision.
- Any discretionary considerations applied.

Discretion

8.24 Each case will be assessed on its own merits to ensure a fair and reasonable outcome. In reaching a decision, FCHO will consider the individual circumstances of the customer, the nature and duration of the service failure, and the actual impact experienced.

8.25 FCHO may award compensation outside the indicative guidance ranges where:

- The impact is significant or long term.
- The customer has vulnerabilities or additional needs.
- There have been repeated or systemic service failures.
- The cumulative impact of failures is particularly severe.
- Exceptional circumstances justify a different approach.

8.26 In all cases, FCHO will clearly explain the reasons for its decision.

9 Offers vs Ombudsman Orders

9.1 Ombudsman Compliance and Alignment

FCHO will comply fully with all orders and recommendations issued by the Housing Ombudsman Service (HOS) within the required timescales.

Where the Ombudsman determines that compensation offered by FCHO does not appropriately reflect the level of detriment, we will review our approach and use the outcome to inform future decision-making and service improvement.

9.2 Energy Ombudsman (Heat Networks)

From January 2026, where applicable, FCHO will comply fully with all determinations made by the Energy Ombudsman.

We will:

- Implement any required actions, including financial redress, within required timescales.
- Ensure compensation is not duplicated across Ombudsman schemes.
- Consider additional compensation where separate housing-related detriment has occurred (e.g. distress, inconvenience, or complaint handling failures)

9.3 Avoiding Duplication and Ensuring Fair Outcomes

Where complaints fall across more than one Ombudsman scheme, FCHO will:

- Ensure customers are directed to the appropriate Ombudsman.
- Ensure compensation is fair, proportionate, and not duplicated.
- Assess any additional impacts in line with Housing Ombudsman guidance.

FCHO will benchmark compensation offers against Ombudsman guidance and review awards where new information indicates that the customer impact was greater than initially assessed.

10 Jurisdiction & Escalation

- **Housing Ombudsman Service** (HOS): Repairs, tenancy, property condition, housing management, and complaints about FCHO's handling of STAIRs publication requirements or information requests.
- **Energy Ombudsman**: Heat network billing, outages, metering, customer service, and energy supply disputes (applicable from January 2026 as heat networks become regulated under Ofgem).
- **Information Commissioner's Office** (ICO): Data protection concerns, including Subject Access Requests, GDPR rights, or unlawful handling of personal information.

Complaints may involve more than one regulatory body; FCHO will ensure correct routing and avoid duplication.

11 Payment Method and Arrears

11.1 Where the Housing Ombudsman orders compensation, we will comply with the order within the required timescale. Compensation will normally be paid directly to the customer unless they request otherwise, rather than credited to a rent account, unless there is a lawful basis for offsetting.

11.2 Wherever possible, customers will be given a choice about how compensation is paid, and we will make reasonable adjustments to support accessible communication about payment arrangements.

11.3 Where compensation is declined, FCHO will clearly explain the reasons for its decision and the factors considered.

12 Decision-Making Authority

- Up to £300: Complaint Handler
- £301-£500: Team Manager
- £501-£1,000: Head of Service
- Over £1,000 or complex cases: Director sign-off
- Where legal/RSH/HOS action is live: Consult Legal and Governance prior to offer.

13 Record-Keeping and Monitoring

13.1 All compensation decisions must include:

- Evidence considered and calculation method
- Breakdown by category (financial loss / D&I / T&T / specific orders)
- Any relevant equality considerations, vulnerabilities, additional needs, and the effect these may have had on the impact experienced by the customer
- Lessons learned and any service improvement actions

13.2 Quarterly reporting to Senior Leadership and the Customer Committee will provide strategic oversight of compensation activity, identify trends, support consistency in decision-making, and drive continuous improvement across FCHO. This monitoring will focus on:

- Service improvement opportunities - identifying recurring themes, systemic issues, and areas where operational changes can reduce complaints and prevent customer detriment.
- Training and competency needs - highlighting skills gaps, guidance requirements, and areas where additional colleague development or refresher training is required.
- Contractor and partner performance - ensuring external providers meet FCHO standards, identifying patterns of service failure, and informing contract management and performance discussions.

- Regulatory compliance and risk assurance - ensuring alignment with the Housing Ombudsman, STAIRs statutory obligations, the Regulator of Social Housing standards, the Energy Ombudsman and identifying any emerging compliance risks.
- FCHO will also explore opportunities to incorporate customer insight, including the potential involvement of a customer representative, when reviewing compensation trends, consistency, and fairness of outcomes through its governance and scrutiny arrangements.

13.3 This policy will be reviewed annually, or sooner where required, to reflect learning from complaints, Housing Ombudsman decisions, customer feedback, legislative changes, and regulatory expectations.

14 Communication with Customers

14.1 We will clearly explain the outcome of the complaint, what went wrong, what action we will take to put things right, whether compensation has been considered, and the reasons for any decision made.

14.2 If a customer remains dissatisfied, they will be told how to escalate the complaint through our procedure and how to refer the matter to the Housing Ombudsman Service once our process has been completed.

14.3 FCHO will make this policy available through the website and will promote awareness of it through customer communication channels, which may include newsletters, customer updates, social media, and other appropriate methods.

15 Legislative and Regulatory Framework

15.1 This policy is informed by, and will be applied in accordance with, relevant legislation and regulatory frameworks governing social housing, complaints handling, and compensation.

FCHO will ensure that all compensation decisions:

- Comply with legal and regulatory requirements.
- Are fair, proportionate, and evidence based.
- Reflect customer impact.
- Avoid duplication of compensation.

15.2 **Key Frameworks**

FCHO will operate in line with:

- Housing Ombudsman Service (HOS)
- Housing Ombudsman Complaint Handling Code
- Housing Ombudsman Remedies Guidance
- Ombudsman dispute resolution principles
- Housing and Regeneration Act 2008
- UK GDPR and Data Protection Act 2018
- Social Tenant Access to Information Requirements (STAIRs)

- Energy Ombudsman requirements (where applicable)

Regulatory Application

FCHO will:

- Comply with all Ombudsman and regulatory determinations.
- Ensure compensation aligns with Ombudsman expectations.
- Consider compensation where service failure results in customer detriment.
- Maintain oversight to support governance, assurance, and continuous improvement.

16 Equality, Diversity, and Inclusion

16.1 Commitment to Equality, Diversity, and Inclusion

16.2 FCHO is committed to ensuring that compensation decisions are fair, inclusive, and sensitive to the needs, characteristics, and individual circumstances of all customers and stakeholders. We recognise that people are affected differently by service failures and that protected characteristics, social factors, and vulnerabilities or additional needs can significantly influence the impact experienced.

16.3 In applying this policy, FCHO will:

- Consider customers with vulnerabilities and/or additional needs including disability, long-term health conditions, age related needs, language barriers, and any other circumstances that may increase the impact of service failure or delays.
- Ensure all communication and processes are accessible and inclusive, using plain English and alternative formats (e.g., large print, translation, easy read) where needed.
- Make reasonable adjustments to ensure customers can engage fully in the complaints and compensation process, including adaptations to communication channels and response formats.
- Ensure no individual is disadvantaged based on any protected characteristic (as defined by the Equality Act 2010) or socio-economic circumstance.
- Actively reduce inequalities by identifying and addressing any patterns where specific groups may be disproportionately affected by service failures or barriers in accessing compensation.

16.4 This approach aligns with the Housing Ombudsman's expectation that landlords consider vulnerability, individual impact, and personal circumstances when assessing distress and inconvenience and determining fair compensation awards.

16.5 Further information on FCHO's approach to vulnerability and additional needs is provided in Appendix B.

Appendix A – Indicative Compensation Guide

The following ranges and payments are intended to support fairness and consistency when considering compensation.

Each case will be assessed individually, taking account of the specific circumstances, the impact on the customer, and any vulnerabilities or additional needs.

Distress and Inconvenience (D&I)

Impact Level	Typical Examples	Indicative Range
Low	Minor inconvenience, short delays, limited impact	£25–£100
Medium	Repeated failures, avoidable disruption, moderate distress or inconvenience	£101–£300
High	Significant or prolonged disruption, repeated failures, serious impact, vulnerability considerations	£301–£1,000
Exceptional	Severe or long-term impact significantly affecting wellbeing or use of the home	Over £1,000

Time and Trouble (T&T)

Impact Level	Typical Examples	Indicative Range
Low	One or two unnecessary contacts or chasers	£20–£50
Medium	Several chasers, repeated contact, poor communication	£51–£150
High	Significant customer effort, repeated escalation, prolonged chasing	£151–£300

Complaint Handling Failures

Impact Level	Typical Examples	Indicative Range
Low	Minor complaint handling failure with limited impact	Up to £50
Medium	Avoidable delay, poor communication, or additional effort needed from the customer	£51–£100
High	Repeated delay, failure to follow the complaints process, or inadequate response to the issues raised	£101–£600
Severe	Serious or prolonged complaint handling failure that significantly worsened the customer's experience or delayed resolution	Over £600

These ranges are guidance only and may be applied alongside Distress and Inconvenience and/or Time and Trouble where complaint handling failure has caused separate additional detriment. Care will be taken to avoid duplication and ensure the overall award remains fair and proportionate.

Specific Compensation Payments

Circumstance	Indicative Amount
Missed appointment	£15 per missed appointment
Complete loss of heating and hot water	£15 per day
Loss of heating only or hot water only	£8 per day

Complete loss of power	£10 per day
Loss of lighting only	£10 per week

These payments are guidance only unless a mandatory payment applies.

Appendix B – Our Approach to Vulnerability and Additional Needs

We recognise that service failures can affect people differently.

When considering compensation, we will take account of:

- Disabilities
- Physical or mental health conditions
- Age-related needs
- Caring responsibilities
- Language barriers
- Financial hardship
- Any other circumstances that may increase the impact of service failure

We will also consider whether reasonable adjustments were required or whether additional support should have been provided.