



Nacro Housing Compensation Policy & Procedure

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Policy

1.0 Purpose of the Policy

Nacro is committed to consistently providing an excellent service to all our service users. However, we recognise that there are times when our service fails to meet the high standards we have set. If we fail to meet our own service standards or provide a poor service, we aim to put things right. At times this may involve paying compensation. We recognise that our service users' support needs may mean that they are more adversely affected by any failure to meet expected service standards.

The aim of this policy is to assist staff in ensuring that a standardised approach is taken in considering compensation requests, fairly, consistently, and impartially, by balancing the needs of the individual with a recognition that all compensation paid is funded from Nacro's income, in particular rent and service charges from all tenants.

In making compensation, we will be fair and consistent, and apologise for any inconvenience caused.

This policy has been developed to accompany Nacro's Complaints Policy and Procedures and to comply with the Housing Ombudsman Service and their statutory requirements, rules and guidance, as well as legislation issued by Government departments.

2.0 Scope of the Policy

The policy covers all Nacro's service users. It is not designed to be applied to complainants who are not in receipt of a service from Nacro, such as neighbours or suppliers. However, and subject to Director's discretion, in exceptional circumstances, it may apply to those not in receipt of our services.

This policy does not apply to any payments resulting from clauses in agreements with those we hold contracts with, including landlords that Nacro leases properties from.

Delivery of this policy applies to all staff. Any member of staff responsible for managing a service must ensure they are familiar with this policy and the Nacro Complaints Policy, alongside any relevant legal requirements of the included in tenancies and licenses.

This policy should be read in conjunction with the Compliments, Comments and Complaints Policy.

2.1 Definitions

There are two types of compensation, as determined by the Housing Ombudsman. These are Compensation Required by Law (statutory obligation) and Discretionary Compensation:

Statutory obligation: There are circumstances where compensation is payable by the landlord as part of Statutory obligations such as Home Loss/ Disturbance Payments and Right to Improvements.

Discretionary compensation: The level of compensation will be proportionate with the level of time, trouble, and inconvenience, due to Nacro's action or inaction. Discretionary compensation will be determined and assessed for the service delivery in which the complaint has been received. These should be issued in accordance with the amounts detailed in the Compensation Amounts Guidance, appendix one.

Remedy: An action taken by Nacro to address an issue it has caused through an action or lack of action, for the service user.

2.2 Relevant National Standards or Regulation

- Governance and Financial Viability Standard
- Home Standard
- Tenancy Standard
- Tenant Involvement and Empowerment Standard
- The Housing Ombudsman Service's remedies guidance
- Awaab's Law 2025

Relevant Legislation

- Planning and Compensation Act 1991)
- The Home Loss Payment (Prescribed Amounts) (England) Regulations
- The Housing Act 1985

3.0 Risk

As a landlord and a charity Nacro has a responsibility to limit its risks and ensure that it is compliant with regulatory requirements and financial regulations. The risk to the business from unmet needs of service users and incorrect calculation of compensation requirements can lead to action from the Housing Ombudsman and make the difference between viable services and failing services. This creates an added reputational risk and the possibility of losing contracts.

4.0 Equality Impact Assessment

An equality impact assessment has been carried out in line with Nacro's Equality and Diversity procedure. It recognises that within this policy, there is the potential that those with protected characteristics, particularly those with disabilities, could be more adversely impacted by service failures and this should be considered in discretionary decision-making regarding compensation award.

5.0 Data Impact Assessment

Nacro collects and uses personal data and special categories of personal data, for example about its staff and service users, to fulfil its purpose and to meet its statutory obligations. There are no identified risks for data within this policy or procedure.

6.0 Consultation

This Policy is governed by statute overseen by the Housing Ombudsman and the Regulator of Social Housing. Although service users and staff have been consulted on the information and the scope of the policy, it is not possible to seek the views of either on the specific compensation amounts set out within this policy, as they are largely statutory or following regulatory guidance.

Procedure

1.0 Methods of Remedy

If we fail to meet our service standards, our staff are empowered to put things right. Non-financial remedies can often be appropriate to resolve the issue and restore trust between the service user and Nacro.

- Apologising
- Rectifying our mistakes
- Additional Service in kind, this is a service above our normal service offer to support the service user, i.e., decorate a room, providing additional furniture
- Making a financial offer of compensation in accordance with our policies and procedures, by rent credit or Bacs payment.
- Other Remedies - Not all the remedies that Nacro can propose fall neatly within one of the categories listed above. Our staff use their discretion to decide on the best remedy for a case and may therefore set out a remedy that does not fall into one of the categories above but is tailored to the individual circumstances of that complaint.

2.0 Use of compensation

Compensation and / or goodwill gestures may be appropriate to cover loss, inconvenience or to demonstrate Nacro's apologies. Compensation will be proportionate to the detriment caused by the service failure. Nacro will follow the Housing Ombudsman's framework that it has outlined for its own decision making, to determine the level of compensation merited. This is outlined in the HOS's 'Annex A' which is summarised in appendix one of this document.

Compensation may be considered at any of the two stages of Nacro's complaints policy. Usually, compensation will not be offered until all service failures or outstanding works have been resolved. The complaints policy promotes resolution of the situation as rapidly as possible. All compensation payments will be made in-line

with the compensation amounts as detailed in the Compensation Amounts Procedure, appendix one.

3.0 Financial Compensation Award

Whether to financially compensate or not, and the amount of compensation, will depend upon what the claim relates to, and the type of claim being made. Detailed guidance of the appropriate amount can be found in the Compensation Amounts Guidance, appendix one.

Factors we may consider when deciding whether financial compensation is payable, and the overall amount of discretionary compensation include: (this list is not exhaustive)

- Failure to comply with Service Standards, such as delay with repairs
- If the service user requires temporary relocation due to health hazards, such as damp and mould, and this relocation incurs costs, such as transport, moving and food costs or compensation for time off work.
- The duration of any avoidable distress or inconvenience due to Nacro's action or inaction
- Loss of facilities, including rooms, where this issue has not been resolved with service standards
- Actions by the complainant or the landlord which either mitigated or contributed to actual financial loss, distress, inconvenience, or unfair impact
- Damaged or loss of belongings due to Nacro's action, inaction, or that of its third-party contractors. Damaged items should be photographed and reported immediately.
- Additional costs incurred due to Nacro's action or inaction
- Delay or poor responses to customers' complaints

There are circumstances when compensation will not normally be considered. These are when it is/relates to:

- The fault of a third party (e.g., utility supplier).
- Covered by service users' own home contents insurance (as outlined in their tenancy agreement).
- For loss of items already considered by Nacro's insurers and found to be outside our responsibility
- A situation which has been caused by the complainant (e.g., neglect/lack of action or wilful damage).
- Due to circumstances beyond our control e.g., severe weather.
- Requests for repair or replacement of fixtures/fittings which are not Nacro's responsibility.
- When a service failure has arisen due to a contractor being unable to access a complainant's home, despite having made and kept to an agreed appointment.

- When a complainant has been advised of extra works required and has been kept informed, and works have been completed within the revised timeframe.
- Due to advanced warnings about loss of service or fault, where we complete the work within specified timescales.
- If a complainant chooses to instruct a solicitor or seek legal advice, they will be responsible for the costs incurred in doing so and will not be able to recover legal costs as part of any compensation.
- Where a service user has unreasonably prevented or delayed resolution of the issue.
- Where a complaint has been previously investigated, resolved, and closed, with no new information arising.
- Claims for personal injury.
- Loss of earnings or Rental Income.

In all cases of compensation award, attention should be paid to whether agreeing to compensation will have a detrimental impact on Nacro's insurance cover. Our insurer should be contacted before awarding compensation for loss or damage following an incident, such as flood, at a Nacro property.

4.0 Management Discretion

In all cases where there has been a service failure by Nacro and a detriment caused to the complainant, management have the discretion to offer compensation.

All financial offers will be made in accordance with the Compensation Amounts Guidance – appendix one. Any compensation above these limits must be approved by an Area Manager or Head of Service.

Proactive compensation payments – in some instances we identify service failure that affects service users who have not complained (i.e. door entry failure). Where we identify service failure requiring remedy and compensation, we will endeavour to proactively compensate affected service users whether or not they have complained about the service failure.

Recognising exacerbated impact of service failures on those with protected characteristics – if a Service User's protected characteristics mean that they experienced a service failure more acutely, this should be considered when determining the level of compensation offered.

5.0 Claiming Compensation

Acceptance of a compensation offer is considered as a full and final settlement of any complaint. Once the compensation has been accepted and paid, Nacro will close any complaint and all issues that relate to that compensation offer.

Any offer and/or payment of compensation, which is made solely under the terms of our Compensation Policy, in no way constitutes an admission of any liability for any losses incurred by the claimant.

Offers of compensation will be evidence led and made solely on available information and data that demonstrate a service failure.

We will normally offset any compensation or goodwill gestures made against any arrears or debts owed to us by the tenant, unless we have evidence that the arrears are due to be paid by housing benefit. It is only in exceptional circumstances that payments may be made directly to the service user if they owe Nacro money.

Any payment made directly to a service user will be paid by Bacs and the service user will need to provide their bank account details for the payment.

Compensation claims will be monitored through the Housing budget by a dedicated 'housing compensation' budget code. This will allow for quarterly reviews by the Housing Senior Management Team and reported annually to the Housing & Justice Committee.

6.0 Appealing Decisions

If a claim for compensation is turned down, or a claimant is unhappy with the amount of compensation offered, the Nacro's complaints procedure offers the right to review the decision. A copy of the Nacro Complaints Policy is available on our website and on request.

7.0 Revision History

Version	Date	Editor	Summary of Changes
1.1	22/05/2024	Head of Quality and Safeguarding	Addition in section 3 of the procedures to clarify only one kind of discretionary compensation can be awarded per claim.
1.2	25/11/2025	Head of Quality and Innovation	Addition of reference to HOS Annex A guidance. Procedure wording reviewed to create clarity. Scope of the policy updated to clarify the policy is for service users. Remedy added to the definitions list. Updated appendix 1 against HOS standards for their compensation awards. Awaab's Law requirements.

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Appendix One - Compensation Award Guidance

Table 1: Discretionary compensation – where Nacro provide a service

Circumstances	Impact	Compensation guide
Failure to meet service standards or policy, for example being late to respond to an emergency repair, where we have designated response times.	Minimal For a limited duration Might include distress and inconvenience, time and trouble, disappointment, loss of confidence, and delays in getting matters resolved	£50 to £100
There was a failure which adversely affected the service user, and no attempt was made to put it right when Nacro was alerted to it. Or the attempt to put it right was not proportionate to the failing.	No permanent impact.	£100 to £600
There have been serious failings. Either a single significant failure in service or a series of significant failures which have had a seriously detrimental impact on the resident.	Significant impact over an extended period. Physical and/or emotional impact	£600 - £1500
Failure to provide a service which is subject to a service charge paid directly by the tenant (rather than covered by housing benefit or any other Local Authority payments).	N/A	If Nacro fail to provide a service which a tenant has told us about, for which they pay a service charge, they may be entitled to receive compensation equivalent to the cost charged for the service they did not receive.

Table 2: Statutory compensation – where Nacro are the landlord

<p>Home loss Home loss payments may be made to tenants who have lived in their property for a minimum of 12 months and are required to move home permanently because of redevelopment or demolition of their home. Home loss claim must be made within 6 years.</p>	<p>Prescribed amount is a minimum of £7,800</p>
<p>Disturbance Disturbance payments may be made to tenants who are required to move to another property temporarily or to people who have lived at a property less than 12 months and are required to move home permanently. This payment is for reasonable moving costs. People who are displaced from properties that have been adapted for disabled people are entitled to the comparable cost of those modifications</p>	<p>Disturbance payments cover reasonable expenses incurred by the entitled person during moving.</p>
<p>Right to Repair The Right to Repair scheme covers specific repairs, known as ‘qualifying repairs’ which cost less than £250 and should be done within a set time limit. If the repair work isn't done within the specified time limit due to a contractor issue, Nacro must arrange for another contractor to do the work. If the work has not been carried out within that time, service users may be entitled to compensation.</p>	<p>If the second contractor does not complete the repair work within the required time limit, service users are eligible for £10 in compensation. For every extra day they wait, a further £2, up to a maximum of £50.</p>