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
- Safety and Quality Standard
- Tenancy Standard
- Transparency, Influence and Accountability Standard
- Neighbourhood and Community Standard
- The Housing Ombudsman Service's remedies guidance
- The Housing Ombudsman Service Compensation Guidance
- Awaab's Law 2025

Relevant Legislation

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

Compensation Guidance at Appendix 1,2 and 3 which is provided at 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.

Compensation may be considered in cases involving disrepair in the resident's property when we have failed to carry out the required repairs within a reasonable timescale. This will only apply to a property to which section 11 of the Landlord and Tenant Act 1985 may apply. In this event we may award a level of compensation taking into account the loss of use of rooms within the resident's property such as Bedroom, lounge, kitchen, bathroom. We will use the Housing ombudsman service percentage table in their compensation guidance to calculate the loss of the room using the amount of rent charged. We have included this table at appendix one below.

3.0 Financial Compensation Award

Whether to financially compensate or not, and the amount of compensation, will depend upon what the claim/complaint 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 in action
- 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

- Assessment of the impact on a resident's physical or mental health often requires medical expertise and a finding on liability. We're therefore not best placed to assess this, but we'll recognise the resident's circumstances in our remedies. Examples of aggravating factors we will consider might include (but are not limited to) where the resident:

  - has a mental health condition - e.g. it's evident the impact of the maladministration has been felt more keenly by them
  - has young children - e.g. an extended period in temporary accommodation because of repair delays causes significant inconvenience and upset
  - is disabled - e.g. the daily impact of emergency temporary accommodation because of failure to comply with repairing obligations
  - is responsible for a dependant with a disability - e.g. a delayed repair response could have increased impact

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/claimant (e.g., neglect/lack of action or wilful damage) such as their failure to communicate clearly with us, or respond to contact from us, their failure to bring matters to our attention within a reasonable timeframe, refusing help to make a coherent complaint
- 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 Statutory Payments

These are payments relating to specific housing activities which are set out in legislation. Such payments include (but are not limited to):

- home loss – a person might be entitled to a home loss payment if they're displaced from their home for demolition, redevelopment, or compulsory purchase
- disturbance – payments made to compensate a person for reasonable moving expenses. People who do not qualify for a home loss payment may be entitled to a disturbance payment
- Right to Repair - allows for compensation when a landlord fails to complete certain repairs within a specified timeframe

The level for the amount for Home loss payments can be found at https://www.communities-ni.gov.uk/articles/home-loss-disturbance

5.0 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 a Director of service and must not exceed the Scheme of Delegation.

6.0 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, unless there is an open complaint with the Housing Ombudsman

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/complainant.

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.

7.0 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.

8.0 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.
1.3	27/04/25	Regulatory Assurance Manager	Amend reference to consumer standards Addition in statutory reference to Landlord and Tenant Act 1985 Amend reference to HOS compensation Guidance and appendix in the guidance

			New reference to rent loss and compensation table from the Housing Ombudsman guidance at appendix one Addition complaint with claim Addition paragraph on assessment of vulnerabilities Addition examples of situations caused by the claimant/complainant New heading and paragraph statutory payments Section 5 amended to Director to approve payments Section 6 adding wording re open Housing Ombudsman case Add 3 new tables to appendix one which mirrors the Ombudsman guidance Removed proactive compensation payment

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Appendix One - Compensation Award Guidance

Compensation for loss of use of the property

Room	Percentage of weekly rent
Living room	20%
Bedroom	20%
Kitchen	30%
Bathroom	30%
Bathroom where an additional WC is available	20%

Specific compensation orders

Service	Redress	Considerations
Loss of heating and/or hot water	• Apology • £15 per day for complete loss • £8 per day for loss of one service (heating or hot water)	• 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 (see table above). • Compensation for loss of heating should not be made where suitable, alternative heating is supplied.
Loss of power	• Apology • £10 per day for complete loss • £10 per week for loss of lighting only	• Additional loss, e.g., perishables following a loss of electrical supply, should be considered distinctly to the set sums for loss of service

		• Where a loss of power also affects heating and/or hot water provision, compensation will be awarded for both loss of power and heating and/or hot water
Missed appointments	• Apology • £15 per missed appointment	• Where the impact on the resident is significant and exceptional, e.g. repeated failure to attend resulting in significant loss of holiday entitlement, additional compensation may be ordered

Compensation for complaint handling

Redress	Likely associated finding	Impact on resident	Circumstances	Examples
Apology Learning	Service failure	Minimal impact Short duration, resulting in minimal inconvenience, time and trouble. Did not affect the overall outcome for the resident.	• There was minimal impact caused by the landlord's complaint handling failings. • The failing would usually be a single incident, where the effect was of short duration, and there was no wider impact. • We may have acknowledged the failing, but did not apologise, resulting in an unsympathetic approach.	• We made an offer of compensation shortly after the complaint's procedure, which is sufficient financial redress, but there remain minor failings in its handling of the complaint. • There were minor factual inaccuracies in the complaint response which had no material impact on the complaint.
Up to £50	Service failure	Low impact	• There was minor failure by us in our response to the complaint and it did	• The complaint response was delayed by several days,

Apology Learning		Short duration May not have affected the overall outcome for the resident. Might include distress and inconvenience, time and trouble, disappointment, loss of confidence, and minor delays in addressing the complaint.	not appropriately acknowledge this and/or fully put it right. • We may have made an offer of action/compensation, but it is not proportionate to the failings identified by our investigation.	causing minor delay in resolution of the substantive issue. • The resident was compelled to chase a complaint response due to a minor delay and lack of update. • We have not applied our own compensation policy to the facts, resulting in a lower offer of compensation.
Up to £100 Apology Learning	Maladministration	No permanent impact	• There was a complaint handling failure which adversely affected the resident. • We have failed to acknowledge our complaint handling failings and/or has made no attempt to put things right, or • We have acknowledged complaint handling failings and/or made some attempt to put things right but failed to	• The complaint response was delayed by more than several days, or there were repeated minor delays. • We responded to the substantive issue but failed to acknowledge sensitive circumstances, resulting in a heavy-handed response.

			address the detriment to the resident and/or the offer was not proportionate to the failings identified by our investigation.	
Up to £250 Apology Learning	Maladministration/ Severe maladministration	Significant impact Physical and/or emotional impact	• There was a complaint handling failure which had a significant impact on the resident. • The circumstances for maladministration or severe maladministration apply and the redress needed to put things right is substantial.	• The complaint response actively disregarded sensitive circumstances, resulting in a heavy-handed response. • The complaint response was delayed by weeks or months, affecting timely resolution of the dispute. • There were significant errors in the complaint response, resulting in misleading advice, unaddressed complaint, or confusion on the part of the resident.

Compensation for impact of other service failings

Redress	Likely associated finding	Impact on resident	Circumstances

Apology Learning	Service failure	Minimal impact Short duration, resulting in minimal inconvenience, time and trouble. Did not affect the overall outcome for the resident.	• There was minimal impact caused by our failings. • The failing would usually be a single incident, where the effect was of short duration, and there was no wider impact. • We may have made an offer of action/compensation, but it did not apologise for the impact of its failings, resulting in an unsympathetic approach. • We may have made an offer of compensation post-complaints procedure which is sufficient financial redress, but there remain minor failings in its handling of the complaint. • An apology is sufficient to remedy what has gone wrong.
Up to £100 Apology Learning	Service failure	Low impact Short duration May not have significantly affected the overall outcome for the resident. Might include distress and inconvenience, time and trouble, disappointment, loss of confidence, and minor delays in getting matters resolved.	• There was minor failure by us in the service we provided, and it did not appropriately acknowledge these and/or fully put them right. • We may have made an offer of action/compensation, but it does not quite reflect the detriment to the resident and/or is not quite proportionate to the failings identified by our investigation.
Up to £600	Maladministration	No permanent impact	• There was a failure which adversely affected the resident.

Apology Learning			• We have failed to acknowledge our failings and/or has made no attempt to put things right, or • We have acknowledged failings and/or made some attempt to put things right but failed to address the detriment to the resident and/or the offer was not proportionate to the failings identified by our investigation.
£600+ Apology Learning	Maladministration/ Severe maladministration	Significant impact Physical and/or emotional impact	• There was a failure which had a significant impact on the resident. • 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 that scale.
£1,000 + Apology Learning	Severe maladministration	Severe long-term impact	• There have been serious failings by us. • There was a single significant failure in service or a series of significant failures which have had a seriously detrimental impact on the resident. • Our response to the failures (if any) exacerbated the situation and further undermined the landlord/resident relationship. • We repeatedly failed to provide the same service which had a seriously detrimental impact on the resident; demonstrating a failure to provide a service, put things right and learn from outcomes. • The failures accumulated over a significant period of time (however this will not necessarily be the case as a single significant service failure may.