

Compensation Policy

Applicable Company: Calico Homes

Author: Head of Customer Experience

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Policy Checklist Completed? Yes



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1.0 Introduction

Calico Homes is committed to providing high quality services that meets the needs of all customers. We recognise that sometimes our service delivery falls below our published or expected standards and when this happens, we want to make it right. This policy provides a framework to outline fair and proportional financial and non-financial remedies.

2.0 Scope and Definitions

Scope – This policy applies to all Calico Homes customers (tenants and leaseholders) and to all colleagues and contractors acting on Calico's behalf. It covers all homes and services managed by Calico Homes and applies whether or not a formal complaint is open.

Definitions – 'Mandatory payments' (statutory), 'Quantifiable financial loss' (evidenced actual loss), 'Discretionary payments' (distress, inconvenience, time and trouble), 'Remedy' (any action to put things right).

3.0 Policy Aim & Principles

The aim of providing redress or compensation is to restore a person to the position they would have been in had the service failure not occurred and to recognise the impact on the customer where service failure has occurred.

We will consider the severity of the impact on the customer and take all the specific circumstances of a particular case into account when deciding what remedy is appropriate, fair and proportionate.

Each case should be considered on its individual merits which means that although two cases may appear on the face of it to be identical, the individual circumstances of each case may require different remedies.

We will consider each customer's individual circumstances, including vulnerability (e.g., disability, age, health, caring responsibilities), seasonality (e.g., heating loss in winter), and cumulative impact.

We will select remedies that are fair, reasoned, and proportionate; financial compensation is one remedy among several. This policy will set out our approach to financial and non-financial remedies and any exclusions that may apply

4.0 Financial Remedies (Types of Compensation)

This section aligns terms with Housing Ombudsman guidance and clarifies decision criteria and evidence standards

4.1 Quantifiable financial loss – actual, evidenced, and reasonably incurred costs (e.g., increased heating, alternative meals, damaged furnishings).



4.2 Discretionary payments – for distress, inconvenience, and time and trouble; for delays, failure to follow policy/procedure, failure to meet target timescales, or poor complaint handling. We will distinguish 'time and trouble' from 'distress and inconvenience'; both may apply where justified.

4.3 Rent-based compensation – compensation may be calculated as a percentage of rent for loss of use of rooms or amenities. We will apply percentage-of-rent calculations where appropriate, with start/end triggers clearly recorded (e.g., after target repair timescale elapses) and consider vulnerability/seasonality uplifts.

4.4 Mandatory payments - payments required by law or regulation. Where applicable payments will be made in line with statutory requirements. These payments include:

- a. Statutory home loss payment made to customers or owner-occupiers required to move home permanently.
- b. Disturbance allowance: made to tenants required to move to another property; and
- c. Right to repair scheme: which covers specific repairs that should be completed within a set time limit. (see appendix for further guidance).

4.5 Discretionary payments for distress, inconvenience and time and trouble - It is important that tenants are compensated fairly where we have failed to deliver our published service standards, e.g.

- poor complaint handling;
- delays in providing a service;
- failure to provide a service that has been charged for;
- failure to meet target response times; and
- failure to follow policy and procedure.

Discretionary payments also take into consideration the upset, discomfort, worry, frustration, or uncertainty caused to the tenant. (see appendix for further guidance).

4.6 Quantifiable loss

It is important that customers are compensated fairly where they have experienced an actual financial loss, such as:

- increased energy bills.
- replacing damaged furnishings.
- decoration costs.

Any costs must have been reasonably incurred, and evidence of loss/receipts must be provided before a payment is made. Any award will consider wear and tear, and compensation will not be paid on a new for old basis.

4.7 Rent-based compensation – compensation may be calculated as a percentage of rent for loss of use of rooms or amenities. We will apply percentage-of-rent calculations where appropriate, with start/end triggers clearly recorded and consider vulnerability/seasonality uplifts.

Ombudsman determinations:

Calico Homes will fully comply with any Ombudsman determination to pay compensation for maladministration or service failure.

5.0 Non-Financial Remedies

We encourage colleagues to think creatively and consider the use of our in-house teams to help rectify issues relating to the complaint for example arranging for our Caretakers or Clean and Green team to assist the customer in practical ways. Sometimes other actions may be taken to remedy a complaint either separately from or in conjunction with an offer of compensation.

The right remedy depends on what has gone wrong in an individual case and may include one or more of the following:

- An acknowledgement that things have gone wrong, including an explanation of any shortfalls in service and what we have done or are doing to rectify and learn from this
- A sincere apology,
- A change of decision, policy or process,
- Repair works to remedy the problem if the issue is repairs related,
- Repairs, redecoration or cleaning that would usually be customer responsibility.

6.0 Exclusions

There are situations where a remedy is not appropriate and will not be offered, for example:

- Claims for personal injury;
- Damage caused by circumstances beyond Calico Home's control (e.g., through storm or flooding);
- Damage caused by third parties not working on behalf of Calico Homes;
- Where a claim can or should be made on home contents insurance and where damage has not been caused as a result of the actions or omissions of Calico Homes or a contractor working on our behalf.
- Lost, stolen, broken, or damaged possessions through no fault of Calico Homes;
- Where the issue was caused because of negligence by the Customer or their failure to comply with the terms of their tenancy or lease such as not providing access to complete required work.
- Damage to decoration - some repairs may damage a customer's decorations. Where we cannot make-good to a reasonable standard, we will consider redecoration or reasonable vouchers in line with Appendix 1.
- Loss of earnings.

Exclusions do not apply where Calico or its contractor is at fault; in such cases, remedies—including compensation—remain available.

7.0 Regulatory and Legal Compliance

This policy has been written in accordance with the requirements set out in the Housing Ombudsman Complaint Handling Code 2024 and Remedies guidance for landlords. In some cases a customer may have legal entitlement to redress. The Landlord should still offer a resolution where possible, obtaining legal advice as to how any offer of resolution should be worded (disrepair, eviction proceedings etc.)

In instances where a legal process is commenced by the customer (most commonly for claims made pursuant to the Pre-Action Protocol for Housing Condition Claims – but can be applied to any relevant legal action), compensation awards will be stopped until the legal process is concluded. The compensation process will only be stopped when proceedings are 'issued' and the Claim Form and Particulars of Claim are filed at Court. Up until this point, alternative dispute resolution can still be sought by Calico Homes and by the customer and the compensation policy guidance must be used.

Housing Ombudsman awards must be paid directly to residents and must not be offset against rent arrears or other debts.

8.0 Financial Payments

Calico Homes will typically make financial payments in accordance with this policy via bank transfer. Upon agreement of compensation, the customer must provide their bank details and payment will be made within 20 working days once this is received.

Customers can request for payments to be made onto their rent account, as long as the customer's rent account does not exceed credit balance limits.

In instances where customers have outstanding debt with Calico Homes discretionary/quantifiable payments may be offset against arrears only with the resident's informed consent and only where this does not conflict with statutory requirements or Ombudsman orders. Housing Ombudsman awards are paid directly and cannot be offset

9.0 Governance, Approvals & Recording

All compensation decisions must be recorded in Active H with: problem summary, remedy rationale, evidence relied upon, calculation method (including rent % if used), and vulnerability assessment. Quarterly audits will be undertaken by Customer Experience with findings reported to SLT and learning published for residents where appropriate.

Complaint Handling linkage – Where complaint handling failures are identified (e.g., delays, poor escalation, failure to address all aspects), discretionary payments should be considered in addition to any remedy for the substantive service failure.



Responsibility

Company leads and service managers are responsible for the implementation of this policy in their service area.

Regulatory and legal compliance

This policy has been written in accordance with the requirements set out in the Housing Ombudsman Complaint Handling Code 2024 and Remedies guidance for landlords. In some cases a customer may have legal entitlement to redress. The Landlord should still offer a resolution where possible, obtaining legal advice as to how any offer of resolution should be worded (disrepair, eviction proceedings etc.)

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Consultation, responsibility and review

Customers, colleagues and Senior Managers from Calico Homes have been consulted with to develop this policy.

All colleagues at Calico Homes are responsible for ensuring customers are treated fairly and in accordance with the compensation policy. Co-ordinators, Managers and Heads of Service are responsible for ensuring awareness and implementation of the policy.

Review – Triennial review retained, with interim updates mandated when Ombudsman guidance or statutory requirements change.



Appendix 1 – Payments and loss

Mandatory payments	
Loss of Use Of Amenity (after target repair timescale has elapsed)	If, because of our failure to carry out a repair, the customer is without amenities: • No heating AND hot water; during winter months (October to March) only £5 per day • Total loss of *water: £5 per day • Total loss of *power: £5 per day • Total loss of showering/bathing facilities: £5 per day *unless the loss of water / power was due to the utilities supply then the customer will be awarded a payment directly from their provider
Total Loss of or Use of Part of Property (after initial 24 hours)	If because of our failure to carry out a repair, the customer is without the use of or unable to access the following parts of their home: • Kitchen: 20% of daily rent • Bathroom: 20% of daily rent • Bedroom: 20% of daily rent • Total loss of use of all bedrooms(s) resulting in inability to sleep in their home: 100% of daily rent • Total loss of Living room: 10% of daily rent

Quantifiable loss	
Damage to customer belongings	Damage caused through the failure to repair, or failure maintain something, or damage caused to property whilst carrying out work on their home. Evidence of the damage or loss must be provided along with receipts where appropriate.
Additional costs	Extra costs incurred by the customer through our failures to repair or maintain something such as; • Utilities (bills/readings must be provided to demonstrate costs pre- issue and current to calculate additional costs)

Quantifiable loss	
	• Food (where ordinary cooking facilities are unavailable, average food costs assessed to calculate additional costs) • Purchased items to resolve something that Calico had a responsibility to resolve and did not do within their timescales (full receipts must be provided and agreed at the discretion of the complaint handler)
Damage to decoration	Damage caused through failure to repair or failure to maintain something that results in customer decor being damaged. Where possible we will instruct our in-house team to paint affected areas or issue a decoration voucher at a rate of £50 per room.

Financial- Discretionary payments	
Mild to Moderate impact £10-250 The complainant has suffered some unreasonable inconvenience or distress as a result of the failure, but this is not severe, and the failures have not been over a prolonged period of time and/ or have not occurred repeatedly. It is expected that most discretionary payment awards for service failures will fall within this lower category.	Some examples of mild to moderate impact instances: • poor complaint handling or poor handling of previous requests which led to a situation escalating for the customer • delays in providing a service e.g., in undertaking a repair which caused the situation to worsen for the customer and the customer suffered because of this • failure to provide a service that has been charged for • failure to meet target response times which caused the situation to worsen for the customer • failure to follow policy and procedure • unreasonable time taken to resolve a situation and we failed to keep them informed • repeated failures to reply to letters or return phone calls • not having regard to a complainant's preferred method of contact or contact requirements • failure to meet service standards for actions and responses but where the failure had no significant impact • incorrectly addressing correspondence (which has caused offence/upset, but not a breach of data protection requirements).
Service failures High impact £250 - £700 The complainant has suffered significant unreasonable inconvenience or distress because of the failure by Calico or its partners/contractors. This could be due to the severity of the occurrence and/or persistent failure over an unreasonable time and/or an unacceptable number of attempts to resolve and address the matter.	Some examples of high impact instances: • misdirection – giving contradictory, inadequate or incorrect information about a complainant's rights (for example in relation to decants, mutual exchanges, or preserved Right To Buy) • a complainant repeatedly having to chase responses and seek correction of mistakes, necessitating unreasonable level of involvement by that complainant • a complainant being repeatedly passed between staff and / or teams, with no one officer or department taking overall responsibility, or a landlord not taking responsibility for sub-contracted services • failure over a considerable period to act in accordance with policy – for example to

Financial- Discretionary payments	
	address repairs; to respond to antisocial behaviour; to make adequate adjustments • Additional compensation for distress / inconvenience caused where serious failures have occurred and have already been recognised and resolved by landlord, including redress for actual financial loss • repeated failure to meaningfully engage with the substance of the complaint, or failing to address all relevant aspects of complaint, leading to considerable delay in resolving complaint • significant failures to follow complaint procedure, escalate the matter or signpost the complainant
Severe impact service failures £700+ Severe failures that have had a severe long-term impact on the complainant. When there has been a significant and serious long-term effect on the complainant, including physical or emotional impact, or both.	Some examples of severe impact instances: • long stay in temporary accommodation due to mishandling of repairs • mishandling or partiality in an antisocial behaviour case leading to exacerbation of tenant relations • erroneous or premature threat of eviction • failure to make reasonable adjustments leading to reduced accessibility or fairness to the customer • failures leading to Environmental Enforcement Orders • serious mishandling or misdirection leading to speculative loss

Approval Limits	
Up to £150	Co-ordinator
Up to £250	Manager
Up to £500	Head of Service
Over £500	Director

Compensation calculator:

1. Are there any non-financial remedies that would resolve the customer's complaint and put them in the same place that they were before the service failure or poor experience occurred?

a. Yes – confirm with internal teams where they are delivering the remedy and agree with customer.

b. No- next question...

2. Are there any mandatory payments due?

£..... to compensate for.....

3. Has the customer experienced any quantifiable losses?

£..... to compensate for.....

£.....to compensate for

4. Has the customer suffered any negative impacts because of Calico Home's failure?

a. No- No discretionary financial payment awarded

b. Yes (Jump to 5)

5. Using the guidance, is the impact on the customer mild/moderate, high or severe?

Mild/moderate- review guidance around mild/moderate impact discretionary payments and agree an amount.

b. High- review guidance around high impact discretionary payments and agree an amount.

c. Severe- review guidance around severe impact discretionary payments and agree an amount.

6. Where payment is due to the customer check whether any outstanding amount is owed by the customer and seek approval from Manager or Head of Service for payment to offset debt where appropriate and submit to rentfinance@calico.org.uk

7. Where payment is to be made direct to a customer you must obtain the customer's bank details, complete the form in Appendix 2, get the appropriate approval and submit to finance@calico.org.uk

8. Ensure the remedy is recorded in the 'costs' tab in Active H complaints case management.



Appendix 2



Division Name:	Calico Homes Ltd
Division Reference:	10

PRO FORMA INVOICE

PAYEE NAME:	
ADDRESS:	
Sort code	
Account number	
Bank name	

DETAILS OF PAYMENT:	AMOUNT
Compensation following complaint	

Net Amount	
VAT Amount	
Gross Amount	

PROJECT CODE:	10-400-40102501
ACTIVITY CODE:	10-400-40102501
DATE:	
Requested by:	
Approved by:	

PLEASE FORWARD TO THE FINANCE TEAM FOR PAYMENT WHEN COMPLETED

