



**KINGDOM**  
Group

## Claims & Compensation Policy

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Approved: June 2013  
Next Review: June 2018

## CLAIMS AND COMPENSATION POLICY

### 1. Statement of Intent

Kingdom is committed to the principles of good corporate governance and sustainability and will endeavour to develop fair and consistent policies, procedures and practices.

In line with our commitment to equality and diversity, this policy can be made available in a variety of formats, including large print, translated into another language or other media. We will make any reasonable adjustments to assist you if you have a disability.

This policy sets out how we will give appropriate compensation when services fall below an acceptable standard and customers suffer a loss as a result. This policy should be read together with our Complaints, Comments and Compensation Policy Statement and Complaints Handling Procedure, the Scottish Executive leaflet "Right to Repair" Housing (Scotland) Act 2001 and our Reactive Maintenance Policy. This covers all customers, tenants, sharing owners and owner occupiers who live in our developments and anyone who is affected by a service we provide.

We aim to provide high quality services in all areas of our activities and to resolve any issues before the need to make a claim or to apply for a compensation payment arises.

This policy aims to ensure that:

- We deal with any issues raised as quickly and efficiently as possible,
- Practical solutions, not just compensation, are explored fully to resolve a situation,
- Where financial payments are appropriate, they are proportionate to the loss or inconvenience caused,
- Any financial payments are considered against clear, agreed guidelines,
- All customers making a claim or seeking compensation are treated in a fair and equitable way.

### 2. Redress and Compensation

#### Redress

Redress is putting right something which has gone wrong. It may take the form of an action or provision of a service or it may be confined to a financial settlement (compensation) to put things right. In some cases both are involved. Wherever possible we will return the customer to the position they would have been in if the loss or service failure had not occurred.

#### Compensation

Sometimes customers seeking compensation also have a complaint; however this is a separate issue dealt with under the policies outlined at the beginning of this document.

Where there is a link between a complaint and a claim for compensation and the progression of the complaint is dependent upon an agreement being reached on the compensation, the complaint will be suspended until the claim or compensation is resolved.



Where there is no complaint but someone has suffered a loss or damage to their property, a claim for compensation is the only issue and it will be covered by this policy.

Compensation should be in proportion to the degree and nature of the failure and hardship or injustice suffered.

Compensation should:

- Be reasonable and fair,
- Take into account the wishes of the customer,
- Be procedurally sound,
- Be provided in a timely manner,
- Provide, as far as possible, a comprehensive resolution of the issue,
- Be in line with guidance on Corporate Governance and Financial Management standards published by the Scottish Housing Regulator.

### **3. Practical Action to Rectify a Detriment**

Sometimes customer contact about a loss or service failure will be about lack of action or a failure to deliver a service. Often the person seeking redress is simply looking for this to be put right. For example we may miscalculate a service charge or a contractor may not turn up within an agreed timescale to do work on our behalf. When this happens the correct response is to offer to rectify this situation and to apologise for any distress or inconvenience which has arisen as soon as possible. This should be recorded as a complaint and dealt with under our Complaints Policy. A financial settlement will generally not be appropriate.

### **4. Financial Settlement**

There are cases where the nature of a loss, the failure of a service or an injustice cannot be resolved by an apology and the provision of a service. A financial settlement may be the only solution. In these instances the staff member handling the complaint will discuss the loss or failure of service with their line manager before agreeing with the customer any financial settlement. The authority to agree levels of compensation on our behalf will be set at levels matching those approved in our financial regulations. This will ensure consistency of approach to claims and compensation between staff and between departments. More information on this is covered in section 6 of this Policy.

Where possible any reimbursement or compensation will be for an actual loss or costs incurred. It is not expected that compensation will be paid out in every case and this will not normally be the first way of offering redress. Where there is damage to goods and personal possessions a replacement may also be an option.



Any calculation of a financial payment should take into account any degree to which the customer has contributed to the failure or loss suffered. In arriving at a figure for compensation we will take into consideration the following:

- The nature and scale of the problem,
- The length of time we took to resolve the problem,
- Whether those affected have particular needs that are made worse by the situation
- any difficulties the customers experience in making their complaint where a complaint is part of the claim,
- Whether the customer was offered but declined alternative services such as a different contractor which would have resulted in an earlier resolution of the problems,
- Whether the actions of the customer were unreasonable where a complaint is a factor and whether the complaint was pursued with unnecessary or excessive detail under the terms of our Unacceptable Actions Policy.

## **5. Payments for Time and Trouble**

Sometimes complaints can take longer to rectify or the situation can be particularly time consuming and complex for the customer. In some cases a time and trouble payment may be justified. This will be distinct from any payments for actual losses and is a goodwill payment intended to cover:

- time and trouble reasonably and legitimately experienced by the customer in having to pursue a complaint with us.
- minor items of expenditure and financial loss which have not otherwise been taken into consideration in any calculation.
- A payment for time and trouble will not be appropriate in every case. It will generally only be made where it can be shown that higher costs were incurred than would routinely be required to pursue a complaint.

## **6. Authorisation Limits**

Payments must be recommended by the relevant budget holder, who will usually be a Departmental Manager or Director.

All payments must be approved by the relevant Director or Chief Executive Officer.

Expenditure limits are set in line with the Kingdom Group's financial regulations and are covered in the procedure which accompanies this policy

We will not normally pay compensation where:

- the mistake or failure has caused little or no problem or loss to the customer or any other person involved.
- the mistake, failure or loss is caused by a third party who does not act on our behalf or over whom we have no control.



- the tenant, customer or service user has appropriate insurance and it is reasonable to expect them to make a claim against their insurance policy.
- the customer could have taken reasonable steps to minimise any loss, including having current insurances in place as part of their tenant responsibilities, e.g. house contents insurance.
- the issue causing the problem, loss or damage is outwith our control.
- the incident was caused or partially caused by the negligence of the customer.
- the customer has failed to comply with the terms of their tenancy, occupancy agreement or Deed of Conditions and this has resulted in a loss or made a loss worse.
- full or partial compensation may be addressed by payment in kind such as providing decorating materials or the labour of our staff to rectify a situation rather than a financial settlement.

Where customers of the Kingdom Group have outstanding debts to us for arrears, rechargeable repairs, service charges or legal costs, any compensation will be used to offset the balance of the outstanding debt and any remaining sums will be passed to the customer.

## **7. Full and Final Settlement**

Any payments which we make under this Claims and Compensation policy will be a full and final settlement of the issue. By accepting the compensation payment, the customer is accepting that the matter is resolved and will take no further action.

## **8. Right to Repair**

Compensation paid under the Right to Repair is specified by law at an agreed rate for specific repairs. Rates are paid up to an upper limit. Our Right to Repair procedure covers situations where deadlines are not reached and this procedure should therefore be read in conjunction with this policy.

## **9. More Complex Claims Involving Liability and our Insurers**

Some complex claims where a customer is also alleging liability and the level of claim is likely to be significant will be referred to our insurers rather than dealt with as set out in this policy. Either we or our insurers will maintain regular contact with the customer, however we will not make any payments where it is clear our insurer has a role or the liability is extensive.

## **10. Role of Each Department**

Each Departmental Manager shall be responsible within their own department for the processing and monitoring of claims for compensation and for authorising compensation payments within authorisation limits. The Departmental Director or Chief Executive Officer will be required to authorise/approve all payments



## **11. Monitoring, Reporting and Review**

All requests and subsequently agreed payments in respect of compensation will be monitored by the Departmental Manager and information provided to the Senior Management Team on a quarterly basis.

An annual report will be produced for the Committee of Management for Kingdom Housing and the Board of Directors for Kingdom Initiatives.

Where relevant, all payments made will be in accordance with our policy on payments and benefits for staff and committee members.

This policy will be reviewed 5 years from the date of implementation or latest review, which will be the date the policy is approved by the Committee of Management and Board of Directors, or earlier if deemed appropriate. In the event that this policy is not reviewed within the above timescale, the latest approved policy will continue to apply.

## **12. Anti Fraud, Bribery & Corruption**

Kingdom is responsible for significant amounts of finance and other resources. There is a high overall value of organisational assets, there are large amounts of money received and paid out and there is a high volume of supporting contractual and financial transactions. Therefore there is always a risk that dishonest people will try to defraud Kingdom.

Kingdom has an Anti Fraud, Bribery and Corruption Policy and the requirements of the policy should be fully recognised when implementing this policy, Claims & Compensation and any related procedures.



## CLAIMS AND COMPENSATION POLICY

This policy has been prepared in accordance with the Plain English principles and has been reviewed by a Plain English Champion in the reviewing Department: Yes

Reference made to the following sources and other guidance:

Kingdom Housing Group Complaints Comments and Compensation Policy Statement 2012

Kingdom Housing Group Complaints Handling procedure 2012

Kingdom Housing Association reactive Maintenance Policy 2009

The Housing (Scotland) Act 2001 with reference to the Right to Repair

Scottish Government leaflet B26670 "Right to Repair"

Peabody Trust Compensation Policy 130110

Hillcrest Housing Association Ltd Guidance note 7 Redress for Complaints.

Prepared by: Alexander McLaren

This is a new policy

Reviewed by the Senior Management Team February 2013

Reviewed By Kingdom Solicitor February 2013

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