



COMPENSATION AND GOODWILL POLICY

Lead Manager:	Complaints & Disrepair Manager
Responsible Senior Manager:	Corporate Director
Approved By:	Customer Services Subcommittee
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1. INTRODUCTION

- 1.1 Shropshire Towns and Rural Housing (STAR) aims to deliver great customer experience and recognise that there will be occasions when customers may suffer some disadvantage, inconvenience or loss as a result of our actions or mistakes. When this occurs, it will be appropriate to provide some form of remedy or redress, to restore a person to the position they would have been in had the service failure not occurred.
- 1.2 This policy sets out our approach to providing compensation to customers for loss or inconvenience arising from service failures.

2. SCOPE

- 2.1 This policy applies to compensation for loss, inconvenience, or detriment arising from failures by STAR and/or its contractors. Each case will be assessed individually to determine an outcome that is fair and proportionate.
- 2.2 **Exceptions not covered within this policy:**
 - Claims that would be dealt with by our insurers, including liability insurance
 - A claim for personal injury (including claims that a resident's health has been affected)
 - A claim that should be covered by a home contents insurance policy
 - Any claim where there is impending legal action
 - Claims for loss or damage caused by circumstances outside our control. For example, a leak from a neighbouring property or damage from flooding or storms
 - A claim where the customer has not reported loss or damage within twelve months and has not retained evidence of damaged items

Please note this is not an exhaustive list.

3. COMPENSATION

- 3.1 Compensation will be assessed on a case-by-case basis, considering the circumstances and impact on the household and clear communication will be provided on how compensation has been calculated.
- 3.2 STAR will take a flexible approach when determining the remedy for a complaint. This can include compensation and/or a practical action such as offering to undertake repairs or decoration which would otherwise be deemed the responsibility of the customer.
- 3.3 All compensation amounts of £250 or above will be authorised and signed off by a member of the Finance Team at Manager level or above.

4. REIMBURSEMENT OF COSTS

- 4.1 If a customer has occurred actual financial loss, the offer of compensation will reflect this. An example of a reimbursement cost includes (but it not limited to):
- Increased heating costs
 - Having to pay for alternative accommodation or food
 - Paying for cleaning
 - Paying for repairs where we have failed to meet our obligations
- 4.2 Any claim for reimbursement must have been reasonably incurred and when making a claim for reimbursement the customer will need to provide evidence of costs, including receipts, bills etc and any loss, explaining how the loss occurred and detail the reasons that they believe STAR is liable.
- 4.3 We may offer discretionary compensation on top of compensation to cover your loss, if appropriate.

5. DISCRETIONARY COMPENSATION

- 5.1 Every case is considered on a case-by-case basis, considering the impact on the household members and any relevant known circumstances and supporting evidence. This includes multiple or repeated service failures and inconvenience.
- Minor inconvenience: £20-£50
 - Medium impact: £50-£150
 - Severe/long term impact: £150-£500

6. MANDATORY COMPENSATION

- 6.1 Mandatory compensation is paid when legislation states that we are required to compensate someone. For example, this may include (but is not limited to):
- Payments to a customer to support them when they are required to move out of their home, temporarily or permanently (including moving due to redevelopment or disposal)
 - Payments under the Right to Repair, when STAR have failed to undertake repairs that are our responsibility

7. HOW COMPENSATION WILL BE CALCULATED

- 7.1 Compensation calculations will be fair and based on the circumstances of the case. The levels of discretionary payments of compensation will be dependent upon the severity of any service failure, duration and associated impact. We will consider vulnerabilities and acknowledge that any impact is worsened through disability, old age or the presence of young children. Examples of circumstances where compensation will be considered:

<u>Compensation Category</u>	<u>Circumstances</u>
Unusable room in the property due to a service failure	The loss of an individual room due to a failure to carry out repairs or other obligatory services.
Loss of amenity due to a service failure	Where utility charges have been incurred by the customer during the service failure, we will reimburse the costs incurred. Loss of heating costs will only be considered between 1 st October and 31 st March.
Service charges	The failure to deliver a service which is subject to a service charge. This can include grounds maintenance and cleaning. Compensation will be paid when the service has not met its service level agreement or promise.
Failure to meet timescales	Repairs that have not been completed within timescales determined in our service standards and have been reported more than once by the customer. This does not include: <ul style="list-style-type: none"> • Repairs which have a genuine reason for being extended and the customer has been informed. • Occasions where the customer has not allowed access. • Instances when the conditions of the home have prevented repairs from being completed.
Damage to decoration of a room	Damage to decoration that is caused by action, or lack of action, by STAR and/or its contractors.

8. PAYMENTS

- 8.1 Any offers of discretionary compensation are made on the basis that it does not constitute an admission of legal liability. We aim to pay compensation due to you via a bank transfer and within 28 days of the customer providing the relevant bank details.
- 8.2 Deductions from compensation payments may be made if a customer owes us money, such as rent arrears and/or for rechargeable repairs. This occurs with the aim of reducing debt that a customer may hold with us and will be agreed with the customer. We will not make deductions if a customer is already at a financial loss due to any service failure.

9. ESCALATION AND COMPLAINTS

- 9.1 If a customer is dissatisfied with the compensation decision, they may request a review through our complaints process. If still unsatisfied, they may escalate the issue to the Housing Ombudsman.

10. REFERENCES AND GUIDANCE DOCUMENTS

- Housing Ombudsman Complaint Handling Code
- Housing Ombudsman Compensation Guidance (2022)
- STAR Complaint Handling Policy

11. EQUALITY AND DIVERSITY

- 11.2 STAR is committed to applying this policy fairly and consistently to all customers. Discrimination, whether direct or indirect, on the grounds of race, religion, age, gender, marital status, sexual orientation, disability or any other protected characteristic outlined in our Equality and Diversity Policy will not be tolerated.
- 11.3 In implementing this policy, STAR will act with sensitivity to the diverse needs of individuals and communities.
- 11.4 Where appropriate, STAR will take positive action to help reduce discrimination and harassment within local communities.
- 11.5 This policy, along with any related publications, is available in alternative formats upon request to ensure accessibility for all.

12. REVIEW

- 12.2 The Complaints and Disrepair Manager along with members of the Senior Management Team take all service failures seriously and use the feedback from our customers to learn and improve, with the intention of ensuring we do better next time. This policy will be reviewed on an annual basis or in line with changes in law or guidance from the Housing Ombudsman and/or Regulator for Social Housing.

13. VERSION CONTROL

Renewal Date	Version	Approved By	Comments
11 2025	1	EMT and CSS	First version of policy