



# HONEYCOMB GROUP

## **Discretionary Compensation Policy**



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## Discretionary Compensation Policy

Who's this for?	Honeycomb Group – Staffs Housing; Concrete; Glow; Revival
Version control – document status/implementation date	Final V5 June 2024
Consultation with stakeholders – please list	Leadership Group; Exec DoO; Exec S&W; Head of Homelessness, Housing & Complex Needs; Head of Domestic Abuse
Equality impact assessment if applicable & date	Completed & approved 27 June 2024
Data Protection Assessment (by DPO) & date	Completed 25 June 2024
Date created	May 2024
Last revised/updated	Updated policy to reflect the Housing Ombudsman Complaints Handling Code
Review required	3 years from approval date
Owner (Executive Lead)	Executive Director
Approved by	Executive Team 19 June 2024

### 1. Introduction

This Policy applies to all customers of Honeycomb and to members of the public who may interact with Honeycomb. The policy covers discretionary compensation linked to loss, damage or inconvenience due to service failure.

The policy has been developed in line with Honeycomb's Complaint Policy.

The Housing Ombudsman published its revised 'Remedies Guidance' document in September 2022. This Policy has been updated to reflect these revisions.

**Please note: any compensation needs to be agreed in advance with the relevant group director.**

### 2. Policy Statement

We are committed to providing excellent customer service that represents value for money to our customers and partners. We aim to get things right first time and to resolve issues at the first point of contact. Our staff are trained in complaint handling and are empowered to deal with complaints and claims for discretionary compensation as and when they arise.

Where we have got things wrong, the complainant will be given an apology and an explanation about what went wrong and what action we will take to put things right. However, there may be instances whereby a customer has incurred inconvenience, frustration, distress or an element of financial loss. In such instances, it is appropriate that the investigating officer has the flexibility to consider the application of a discretionary compensation award. This policy details our Policy for the management of such awards.



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This policy is compliant with the Transparency, Influence and Accountability Standard requirements as part of our commitment to demonstrating compliance with the Consumer Regulation Standards.

Guidance provided by the Housing Ombudsman has been reviewed in the development of this policy including the key dispute resolution principals of be fair, put things right and learn from complaints.

### **3. Implementation**

All complaints received by Honeycomb will be managed in accordance with our Complaint Policy.

When a complaint is upheld, we will recognise that complainants have right to redress as part of the complaint resolution, this could include:

- An apology and explanation of the service failure
- Putting right what has gone wrong
- Improving practice and processes to reduce the risk of the error reoccurring
- In some circumstances, financial compensation may be an appropriate form of redress, for example, when the tenant has experienced financial loss, inconvenience or distress

Compensation may be statutory (i.e. Honeycomb is obliged by law), or discretionary (e.g. the circumstances dictate that it is the right thing to do).

### **4. Statutory Payments**

These include payments for home loss, disturbance, improvements and payments under the Right to Repair scheme.

### **5. Discretionary payments**

Compensation may be considered where there has been avoidable inconvenience, distress, damage, harm, or other unfair impact of the service failure.

Compensation for quantifiable financial loss e.g. cost of replacing damaged property, increased heating bills due to disrepair, having to pay for alternative accommodation and associated moving and storage costs or take away food.

Evidence of expenditure will be required and only reasonably incurred costs will be considered by Honeycomb. We may also consider paying compensation where loss cannot



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be proved (unquantifiable loss) but only where the balance of probabilities suggests that the loss has occurred and then, only where the loss occurred as a direct result of our failures.

In certain circumstances, compensation payments will not be considered this includes:

- Claims for personal injury
- Claims for damage caused by circumstances beyond Honeycomb's control (e.g. through storm or flooding)
- Problems caused by a third party not working for Honeycomb and problems resulting from lifestyle choice
  - Instances where any damage is covered under contents insurance unless the damage has been caused as a direct result of the actions or omissions of Honeycomb or a contractor working on its behalf
  - We will not pay compensation for loss of earnings due to service failure. However, there may be circumstances when it is appropriate to pay compensation in recognition of the inconvenience caused, for example where repairs appointments are repeatedly missed or fail to resolve the repair issue

Although we recognise the impact of a service failure cannot simply be remedied by a financial payment, a payment may be made in recognition of the impact and to acknowledge how the complainant has been affected.

Compensation calculations will be based upon what is considered fair and reasonable in the particular circumstances of the case and will be usually be paid where;

- There is actual proven financial loss sustained as a direct result of a service failure and / or
- There has been avoidable inconvenience, distress, detriment or unfair impact resulting from a service failure

Factors that may be taken into account, when deciding if compensation is appropriate redress and the overall amount include:

- The duration of any avoidable distress or inconvenience
- The seriousness of any other unfair impact
  - Actions by the complainant or Honeycomb which either mitigated or contributed to actual financial loss, distress, inconvenience or unfair impact
- The impact on the resident's living arrangements, e.g. where the loss of a bedroom leads to overcrowding in the property



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- The level of rent or service charges
- Honeycomb's policies and service standards including guidance on remedies contained within the associated, revised, 'Compensation – Staff Guidance' document.
- Levels of compensation for similar cases paid to other complainants, including learning from Housing Ombudsman guidance.
- Consideration of the individual customer's circumstance and vulnerabilities and identify that any impact is worsened through disability, old age or the presence of young children.

Details of any compensation award and the rationale will be explained in the complaint response letter. Acceptance of compensation does not prevent the tenant from escalating their complaints and ultimately to the Housing Ombudsman service if they remain dissatisfied with the outcome.

Compensation payments will usually be made within 28 working days of the customer accepting the offer.

In cases where no financial loss has been incurred by the complainant, we may award the payment as a rent credit, particularly if a tenant has arrears on the rent account.

### **6. Consultation & Customer Engagement**

We are committed to promoting customer engagement and participation at all levels of our business and governance arrangements. Reporting on compensation payments will be presented to the Customer Services Committee for scrutiny and Board.

### **7. Responsibility**

The policy is the responsibility of the Executive Director of Operations.

### **8. Diversity & Inclusion**

The Policy supports Honeycomb's Equality and Diversity Policy. In recognition of this we aim to deliver a Complaints Service that is;

- Relevant and fully accessible to all
- Tailored to meet both the specific needs of the individual, including those with additional support needs, and the diverse needs of the wider community
- Compliant with all aspects of Equality and Diversity legislation.



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### **9.Data Protection and Confidentiality**

For processing, storing and sharing the personal data associated with this policy, we will ensure that it is carried out in accordance with current data protection legislation (UK GDPR and Data Protection Act 2018).

### **10. Monitoring & Review**

Honeycomb's Leadership Team monitors performance on a monthly basis, whilst a more detailed Quarterly Performance Report is provided to the Customer Services Committee. The Group Board also considers performance on a quarterly basis. This Policy will be reviewed in line with Honeycomb's Policy Review Framework, or when any changes in legislation and/or regulation occur.

**June 2024**