

GOODWILL AND COMPENSATION POLICY



STATEMENT OF INTENT

It is the objective of the Saffron Group ((referred to hereafter as 'Saffron') to provide friendly, efficient and accessible housing services to a high standard. However, Saffron recognises that there will be occasions when services do fall short of expectations and Saffron will offer appropriate compensation in these cases and aim to resolve the problem quickly and efficiently.

Saffron recognises that there may be circumstances where it will need and/or wish to take different or alternative action to that outlined in this procedure, and it reserves the right to do so.

1. INTRODUCTION

- 1.1 This policy assists customers to understand when compensation might be applicable and provides a framework for managers to assess the amount of compensation that may be offered in each, applicable situation.
- 1.2 The decision and calculation of any compensation due may be affected by, but is not wholly dependent on, Saffron's reasonable view as to the cause of the problem and will be proportionate to the loss or severe inconvenience incurred.
- 1.3 In exceptional circumstances, such as where severe inconvenience has been caused a discretionary goodwill compensation payment may be considered. In these circumstances we will follow the guidelines set out in this policy to ensure that the payments offered are fair and equitable for customers and service users.

2. PAYMENT TYPES

- 2.1 Payments will take the form of 'goodwill' or 'compensation'.
- 2.2 Goodwill payments or gestures can be offered following a report of an exceptional or severe service failure or complaint that is found to be justified. It may be appropriate to offer a goodwill gesture up to the value of £100, or a bunch of flowers or a box of chocolates rather than a financial payment, which can be more personal than a monetary goodwill payment and may help to restore confidence in Saffron. A goodwill payment may be offered in situations where a monetary offer would be more suitable or where the person seeking redress will only accept a financial payment.
- 2.3 In exceptional cases, where the customer can evidence they have suffered financial loss as a result of the direct actions of Saffron, it may be appropriate to offer a compensation payment in addition to, or instead of a goodwill payment or gesture.

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- 2.4 Compensation and goodwill payments by Saffron are not automatic, even where it is clear mistakes have been made. Where a practical solution would provide all or part of the remedy, this will first be discussed with the customer and all options and solutions considered and explained.
- 2.5 All offers of compensation will be agreed by the relevant budget holder or above.
- 2.6 This policy will not adversely affect any of our customers' statutory rights.
- 2.7 This policy does not affect tenants existing rights to compensation for home improvements which are covered in the Empty Properties Policy.
- 2.8 This policy does not affect tenant's rights to statutory Home Loss payments, where eligible.

3. ASSESSEMENT OF COMPENSATION

- 3.1 All claims for compensation will be decided on an individual basis taking into account the specific circumstances and actual losses involved.
- 3.2 The initial assessment will be to establish the extent to which the customer has suffered actual financial loss and to determine, so far as possible, the cause, and therefore the responsibility, for that loss.
- 3.3 Further assessment will determine the extent to which the customer has been inconvenienced by the situation. This will include an assessment of the customers' time and trouble in bringing the situation to Saffron's notice and will also consider the cause, and therefore the responsibility, for the situation.
- 3.4 Where a customer has suffered actual financial loss which is clearly due to Saffron's unreasonable action or inaction the loss will be recompensed in full. Note that customers have a duty to seek to mitigate the loss (including tenants having contents insurance) and customers' actions and inactions will be taken into account in assessing claims.
- 3.5 When considering how much to offer a customer in recognition of the loss or inconvenience they have suffered, it is important to take these key factors into account:
- any known financial costs that have been reasonably incurred
 - the degree of disruption to the household, both physical and mental
 - consideration of the household vulnerabilities, including age or disability
 - recognition of any failure by Saffron to follow policies and procedures

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- assessment of whether the financial loss or severe inconvenience could be reconciled in any other manner
 - any failures to follow the complaint handling process
 - the time taken to resolve the complaint – beyond stated response times and without reasonable cause
 - if the customer has personal home and contents insurance
- 3.6 Where a customer has suffered actual financial loss but the cause - and therefore responsibility - cannot be clearly determined, any compensation payable will be proportionate to the actual loss suffered and on Saffron's reasonable assessment of the likely cause and responsibility. The cost of replacement items will normally be based on a "like for like" basis.
- 3.7 Where a customer has suffered severe inconvenience but no actual financial loss the amount of any compensation offered will be proportionate to the actual inconvenience suffered and based on Saffron's reasonable assessment of the likely cause and responsibility.
- 3.8 Where appropriate Saffron will normally expect claims for compensation to be backed up by appropriate receipts.
- 3.9 For compensations and reimbursement for decants please see the Decant Policy.
- 3.10 All payments for compensation are made in line with Financial Regulation approvals.

4. PAYMENT OF COMPENSATION

- 4.1 If the customer is in rent arrears or owes other debts to Saffron the amount of compensation agreed will normally be credited to the rent account unless, at the discretion of the Assistant Director (Housing Operations), it is felt that this would cause further distress or inconvenience to the customer.
- 4.2 If a compensation payment is appropriate this will be made by BACS payment.
- 4.3 Saffron may not make compensation payments in certain circumstances. The following list is an example but is not exhaustive:
- where the mistake or service failure has caused little or no problem to the people affected where the fault is caused by a third party or is something Saffron has no control over
 - where the customer could make a claim on their own insurance

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- where the incident was caused as a result of negligence by the customer or their failure to comply with the terms of their tenancy

5. INSURANCE

- 5.1 Whilst Saffron is prepared to recompense tenants for financial loss caused by Saffron, it is the responsibility of every tenant to maintain appropriate contents insurance, and this will be taken into account when assessing claims.
- 5.2 Any matters involving public liability will be immediately passed to Saffron’s insurers, and Saffron will take no further part in negotiations. Under these situations goodwill payments will not be awarded while the insurance claim is in progress.

6. SERVICE STANDARDS

- 6.1 Saffron will aim to make sure payments/credits are made within 21 calendar days of the amount being accepted by the customer.

7. RIGHT OF APPEAL

- 7.1 All customers have the right to appeal any decision made by Saffron under this policy. Appeals will be dealt with in accordance with Saffron’s Complaints Policy.

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