Policy Name:	**COMPENSATION POLICY**
Version	**001**
Review Date	May 2026

1. Purpose

This policy sets out how AHCL approaches compensation. It explains when AHCL will offer compensation to residents, how compensation amounts are determined, and the process for making a compensation payment.

This policy supports AHCL's Customer Complaints Policy (v009, February 2026) and reflects the requirements of the Housing Ombudsman's Complaint Handling Code and the RSH Transparency, Influence and Accountability Standard (2024). It should be read alongside the Complaints Policy.

AHCL is committed to putting things right when they go wrong. Compensation is one tool for doing so, but it is not always the most important. A genuine apology, a clear explanation, and prompt action to fix the problem are often what residents value most.

2. Scope

This policy applies to all AHCL shared ownership residents and to complaints or service failures involving AHCL or the Managing Agent. It covers compensation awarded as part of the complaints process and in other circumstances where AHCL determines that a resident has suffered a loss or inconvenience for which redress is appropriate.

3. Principles

AHCL's approach to compensation is guided by the following principles:

Principle	What this means
Proportionate	Compensation reflects the actual impact of the failure on the resident – the severity, duration, and the vulnerability of the resident. It is not a fixed tariff applied automatically.

Fair	AHCL considers each case individually and makes decisions consistently. Residents in similar circumstances should receive similar outcomes.
Prompt	Where compensation is agreed, it is paid promptly and without unnecessary bureaucracy.
Transparent	Residents are told how the compensation amount was reached and what it is intended to cover.
Compliant	AHCL has regard to the Housing Ombudsman's guidance on remedies and compensation when making decisions, and will comply with any compensation ordered by the Ombudsman.

4. When AHCL Will Consider Compensation

4.1 Following a complaint

Compensation may be considered as part of the resolution of a formal complaint where AHCL or the Managing Agent has:

- failed to carry out a repair within the agreed timescale and the resident has suffered loss or inconvenience as a result
- provided inaccurate or misleading information that led the resident to take action they would not otherwise have taken
- failed to follow its own policies or procedures in a way that caused detriment to the resident
- caused unnecessary distress, time and trouble to the resident through maladministration
- delayed in responding to a complaint beyond the timescales set out in the Complaints Policy
- failed to meet the standards required by the RSH Consumer Standards in a way that affected the resident personally

Compensation is not automatic following an upheld complaint. It is considered where there has been a quantifiable loss, clear inconvenience, or where the failure has caused the resident distress or has required them to spend time and effort pursuing a resolution they should not have needed to pursue.

4.2 Outside the complaints process

In some circumstances, AHCL may offer compensation or a goodwill gesture without a formal complaint having been made, for example:

- where a repair causes damage to a resident's belongings or property

- where a planned works programme causes significant disruption beyond what was notified
- where there has been a clear and straightforward service failure and early resolution is in both parties' interests

Proactive offers of compensation are made at the discretion of AHCL's CEO. They do not affect a resident's right to make a formal complaint.

5. What AHCL Will Not Compensate For

AHCL will not pay compensation in the following circumstances:

- where the failure was caused solely by the resident's own actions or by someone in their household
- where the complaint has not been investigated under the Complaints Policy (unless compensation is being offered proactively as above)
- where the matter relates to a service charge dispute
- where the complaint falls outside AHCL's or the Managing Agent's responsibility
- where legal proceedings have commenced in relation to the same matter
- for general dissatisfaction without a specific, identifiable failure
- for stress or inconvenience that is not directly attributable to a failure by AHCL or the Managing Agent.

AHCL may also decline to pay compensation where the resident's behaviour during the complaints process has been unacceptable, in accordance with AHCL's Unacceptable Resident Behaviour Policy.

6. Types of Compensation and Remedy

AHCL distinguishes between different types of redress depending on the circumstances:

Type	Description	Examples
Financial compensation	A payment to compensate for a quantifiable financial loss suffered by the resident.	Reimbursement of costs incurred due to a repair failure; reimbursement of energy costs due to a heating failure.

Goodwill gesture	A modest payment or gesture to acknowledge inconvenience or distress where there is no clear quantifiable loss.	Voucher or payment to acknowledge delays in complaint handling; acknowledgement of distress caused by a prolonged repair.
Service charge rebate	A reduction in service charges where a service that was charged for was not delivered, or was significantly substandard.	Rebate for a communal facility that was out of service for an extended period.
Practical remedy	Action taken to put things right, which may be more valuable to the resident than a financial payment.	Carrying out a repair; providing a written apology; changing a procedure; providing information that was withheld.
Housing Ombudsman award	A compensation payment ordered by the Housing Ombudsman following a determination.	AHCL will comply with all Ombudsman orders without delay.

7. How Compensation Amounts Are Determined

There is no fixed tariff for compensation at AHCL. Each case is considered individually, having regard to:

- the nature and seriousness of the failure
- the duration of the failure – how long the resident was affected
- the actual impact on the resident, including any financial loss, physical inconvenience, health impact or emotional distress
- the vulnerability of the resident – AHCL recognises that its over-55s residents may be more acutely affected by certain failures, particularly those involving heating, repairs to essential facilities, or safety matters
- the time and trouble the resident has had to spend pursuing a resolution
- whether AHCL or the Managing Agent has previously acknowledged and failed to act on the same issue
- the Housing Ombudsman's published guidance on appropriate remedies

The following indicative ranges are used as a starting point. These are not ceilings and may be exceeded in cases involving serious or prolonged failures, particularly where vulnerable residents are affected:

Category of failure	Indicative range	Notes
Complaint handling delay (per stage)	£25 – £150	Based on the length of delay and time and trouble caused to the resident.
Repair delay – minor (e.g. cosmetic, non-urgent)	£50 – £250	Where the delay has caused inconvenience but no significant impact on daily living.
Repair delay – moderate (e.g. affecting amenity)	£150 – £500	Where the delay has affected the resident's use and enjoyment of their home.
Repair delay – serious (e.g. heating, essential facilities)	£300 – £1,500+	Where a vulnerable resident has been without heating or essential facilities. No upper limit in serious cases.
Damage to belongings caused by repair or works	Actual cost of replacement or repair	Evidence of loss required. AHCL may refer to its public liability insurer.
Distress and inconvenience (no financial loss)	£50 – £500	Reflects the personal impact of the failure. Higher end for prolonged or serious failures affecting vulnerable residents.
Time and trouble (pursuing complaint)	£25 – £250	Reflects the effort the resident has had to make above what should reasonably have been required.
Maladministration with significant impact	£500 – £2,000+	For serious or repeated failures, or where the Ombudsman has found severe maladministration.

HOUSING OMBUDSMAN GUIDANCE

The Housing Ombudsman publishes guidance on remedies and compensation ranges which AHCL takes into account when determining compensation. AHCL's indicative ranges above are broadly consistent with the Ombudsman's guidance but are not a substitute for it. In any case referred to the Ombudsman, AHCL will comply fully with the Ombudsman's determination.

8. Authorisation

The following authorisation levels apply to compensation payments:

Amount	Authorised by
Up to £250	Senior manager (Stage 1 complaint resolution)
£251 to £750	Senior manager & CEO (Stage 2 complaint resolution or escalation)
£751 to £2,000	CEO

Above £2,000 or Housing Ombudsman award	Board (or Chair acting under urgency provisions in the Delegations of Authority)

Where compensation is awarded as part of a Housing Ombudsman determination, it will be paid within the timescale ordered by the Ombudsman regardless of the amount. The CEO will notify the board of any Ombudsman determination at the next board meeting.

9. Payment Process

Where compensation is agreed:

- the resident is informed in writing of the amount, what it covers, and how and when it will be paid
- payment is made by bank transfer within 10 working days of the agreement, unless a different timescale is agreed with the resident
- AHCL does not apply set-off against arrears without the resident's agreement, except where required by law
- a record of the payment is made on the resident's file and included in AHCL's complaints and compensation log
- the resident is asked to confirm their bank details by a secure method before payment is made

Compensation is paid directly to the resident. In cases where a representative is acting on the resident's behalf, payment may be made to the representative only with the resident's written consent. Any compensation amount is confidential and not to be discussed with other residents.

10. Recording, Reporting and Learning

All compensation payments are recorded in AHCL's complaints and compensation log, maintained by the Customer Team. The log records:

- the nature of the complaint or failure
- the type and amount of compensation paid
- the stage at which it was resolved
- whether the matter was referred to the Housing Ombudsman and the outcome

A summary of compensation payments is included in the quarterly complaints report to the board. The board reviews compensation trends as part of its oversight of service quality and regulatory compliance.

Where a pattern of compensation payments reveals a systemic issue with AHCL's or the Managing Agents service, the CEO will prepare an action plan and report it to the board. AHCL uses compensation data to improve services and reduce the likelihood of repeat failures.

11. Relationship with Insurance

Where a resident's claim relates to damage to their own belongings caused by a failure of AHCL's or the Managing Agent's property or systems, AHCL may refer the matter to its public liability insurer. Under a Public Liability claim, any decision on settlement amount rests solely with our PL insurer. In such cases, AHCL will:

- notify the resident promptly that the matter is being referred to the insurer
- provide the resident with the insurer's contact details and reference number
- not use the referral to an insurer as a reason to delay or refuse to consider the complaint under the Complaints Policy
- follow up with the insurer if the resident has not received a response within a reasonable timescale

Residents are also reminded that they are strongly advised to maintain their own contents insurance for their personal belongings, as AHCL's buildings insurance does not cover residents' contents.

12. Review

This policy will be reviewed every two years, or sooner following a significant Housing Ombudsman determination, a change in the Complaint Handling Code, or a material change in AHCL's service delivery model. The Company Secretary is responsible for coordinating the review.

Version History

Version	Date	Author	Sections Updated	Principal Changes
001	May 2026	AHCL	All	New document – first issue