Salvation Army Homes
Safe homes. Transforming lives.

Compensation Policy

1. Statement of Intent

1.1 It is the objective of Salvation Army Homes to provide safe, friendly, efficient and accessible housing services to a high standard.

1.2 Salvation Army Homes recognises that there will be occasions when services do fall short of expectations. Salvation Army Homes will attempt to solve issues promptly and with a customer focused approach.

1.3 Salvation Army Homes recognises that there may be circumstances where it will need and / or wish to take different or alternative action to that outlined in this policy and it reserves the right to do so.

1.4 Salvation Army Homes operates a separate Complaints and Compliments Policy for the handling of resident feedback, the outcome of which may, in certain circumstances, result in a compensation or goodwill payment of some kind.

2. Introduction

2.1 This policy helps residents to understand when compensation might be applicable. Wherever possible, Salvation Army Homes will try to return you to the position you would have been in if the mistake or service failure hadn't happened. There are different ways Salvation Army Homes can do this — for example, by fixing an issue, offering an apology, supporting the resident empathetically, taking practical steps to put things right. It is not always about offering financial compensation. These actions are known as remedies.

2.2 The decision and calculation of any compensation due may be affected by, but is not wholly dependent on, Salvation Army Homes' reasonable view as to the cause of the problem and will be fair and proportionate to the loss or severe inconvenience incurred.

2.3 This policy follows current Housing Ombudsman Guidance on Compensation Payments by separating compensation payments into categories (detailed in section 5 of this policy) and explaining in what circumstances payments will be made.

3. Scope

3.1 This policy applies to all Salvation Army Homes employees; Salvation Army Homes repairs and maintenance contractors; other contractors working for Salvation Army Homes and all residents who live in Salvation Army Homes' properties, as well as others who might be affected by Salvation Army Homes' action or inaction.

3.2 This policy also applies to Managing Agents of Supported Schemes. They are expected to follow and adopt the spirit of this policy.

4. Customer Service

4.1 We recognise that apologising for poor service and offering a solution are key attributes of excellent customer service.

4.2 Colleagues are encouraged to listen, acknowledge the resident's experience, apologise where appropriate, and discuss possible solutions — including compensation — in a supportive, respectful way.

4.3 Salvation Army Homes will record where compensation (as detailed in Appendix 1) and good will payments have been made, so that Salvation Army Homes can identify possible areas for improvement to improve our service.

5. Types of Compensation

5.1 **Mandatory payments** – these relate to statutory payments that must be made to residents when certain events occur, such as the loss of your home to enable the redevelopment of the building. This would be a decant/home loss event and is covered by our Decant Policy.

5.2 **Quantifiable Loss Payments** – these relate to costs that the resident has incurred as a result of our service failure and can be demonstrated / quantifiable. Examples here include:

- increased heating bills due to disrepair
- having to pay for alternative accommodation or take away food
- paying for cleaning or carrying out repairs where a landlord has failed to meet its obligations.

5.3 These costs must have been reasonably incurred, and evidence of such loss must be provided. Where advice has been provided by Salvation Army Homes and not followed by the resident, then Salvation Army Homes reserve the right to reduce any payment accordingly.

5.4 **Discretionary Payments** – can be offered following a report of an exceptional or severe service failure or complaint that is found to be justified. Examples of where discretionary payments may be applicable include:

- poor complaint handling
- delays in providing a service e.g. in undertaking a repair

- failure to provide a service that has been charged for
- temporary loss of amenity
- failure to meet target response times
- loss of use of part of the property
- failure to follow policy and procedure
- unreasonable time taken to resolve a situation.

5.5 It may be appropriate in some instances to offer a non-monetary form of compensation, such as the offer to redecorate a room, the provision of some flowers or some vouchers rather than a financial payment. This might be more immediate and personal than a monetary goodwill payment and may help to restore confidence in Salvation Army Homes.

5.6 Compensation and goodwill payments by Salvation Army Homes are assessed individually. As a charitable organisation, Salvation Army Homes will work alongside residents to consider all appropriate options for resolution, not solely financial remedies. All offers of compensation will need to be recorded and paid in accordance with levels of authorisation as stated in Appendix 1.

5.7 This policy will not adversely affect any of our residents' statutory rights.

6. Assessment of Compensation

6.1 All claims for compensation will be decided on an individual basis considering the specific circumstances and actual losses involved. Officers will work within agreed financial regulations.

6.2 The initial assessment will focus on understanding the impact on the resident, including practical, emotional, or wellbeing effects. Salvation Army Homes will explore the situation sensitively while identifying contributing factors.

6.3 Further assessment will determine the extent to which the resident has been inconvenienced by the situation. This will include an assessment of the residents' time and trouble in bringing the situation to Salvation Army Homes notice and will also consider the cause, and therefore the responsibility, for the situation.

6.4 When considering an offer of compensation, Salvation Army Homes aim to understand the resident's experience and how the situation has affected their daily life. Key factors to consider:

- 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 Salvation Army Homes to follow policies and procedures

- 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 resident has personal home and contents insurance.

6.5 Salvation Army Homes recognise that each resident has personal circumstances and responsibilities, and Salvation Army Homes aim to be flexible and respectful when arranging appointments or follow up actions. Contractors and Agents acting on our behalf, should abide by Salvation Army Homes' timescales, and where fault occurs, consider a range of solutions to recognise any distress or inconvenience caused and not just compensation.

6.6 If a resident has experienced financial loss but responsibility is unclear, Salvation Army Homes will take a fair and compassionate approach based on the information available. Any compensation payable will be proportionate to the actual loss suffered and on Salvation Army Homes' reasonable assessment of the likely cause and responsibility. The cost of replacement items will normally be based on a "like for like" basis.

6.7 Where a resident has suffered severe inconvenience but no actual financial loss, the type of recognition offered and/or the amount of any compensation offered will be proportionate to the actual inconvenience suffered and based on Salvation Army Homes' reasonable assessment of the likely cause and responsibility.

6.8 Where appropriate Salvation Army Homes will normally expect claims for compensation to be backed up by appropriate receipts.

7. Payment of Compensation

7.1 If the resident is in rent arrears or owes other debts to Salvation Army Homes, the amount of discretionary compensation agreed will always be credited to the rent account unless, at the discretion of the Head of Service or Executive Director, it is felt that this would cause further distress.

7.2 Where compensation is appropriate, payment will be made promptly by BACS, providing a quick and efficient way to receive funds.

7.3 Residents will be asked to confirm receipt of any compensation payment, and this will be recorded by Salvation Army Homes. Any compensation payment made is to rectify a resident's service issue and not an admission of further liability.

8. Situations in which a compensation payment will not be made

8.1 Salvation Army Homes 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 Salvation Army Homes has no control over
- Where the resident could make a claim on their own insurance
- Residents have responsibilities under their tenancy agreement. Where loss or damage arises from a resident's actions, negligence, failure to comply with terms of their tenancy, or failure to allow access for repairs, Salvation Army Homes will explore the circumstances sensitively. Examples where payments will not be made:
    - where the loss or damage has been caused by a resident or a visitor to the property
    - where contractors have been unable to access a property to carry out a repair
    - where the damage is caused by a third party

  Salvation Army Homes can support residents by directing them (where appropriate) to their insurance provider.
- It is the resident's responsibility to report the issue/damage within a reasonable timescale.

9. Insurance

9.1 Whilst Salvation Army Homes is prepared to recompense residents for financial loss caused by Salvation Army Homes, it is the responsibility of every resident to maintain appropriate contents insurance, and this will be taken into account when assessing claims.

9.2 If the issue relates to public liability, Salvation Army Homes will refer the matter to our insurers. While Salvation Army Homes are unable to take part in any negotiations, Salvation Army Homes will keep the resident informed throughout, so they feel supported and understand the process. Under these situations goodwill payments will not be awarded while the insurance claim is in progress.

10. Service Standards

10.1 Salvation Army Homes will aim to make sure payments/credits are made within 21 calendar days of the amount being accepted by the resident.

11. Accessible to all residents

11.1 To ensure that this policy applies to all residents, Salvation Army Homes will accept requests from residents verbally, in person and in writing.

11.2 Salvation Army Homes will encourage residents to claim through an advocate if the resident feels that this will assist them.

11.3 Our website includes accessibility tools designed to help individuals comfortably access documentation and information about Salvation Army Homes.

12. Right of Appeal

12.1 It is emphasised here that Salvation Army Homes is seeking to act reasonably for any action or inaction that creates a poor customer experience. All decisions are made in this spirit and do not represent any legal admission of formal responsibility.

12.2 Should a resident wish to appeal against any offer of compensation, then they should be advised to go via the Complaints Procedure, stating their reasons.

13. Data Protection and Equality Impact

In developing this policy, Salvation Army Homes have carried out assessments to ensure that we have considered:

- Equality, Diversity and Inclusion
- Privacy and Data Protection

To request a copy of these full assessments, please contact the Business Assurance Team at business.assurance@salvationarmyhomes.org.uk.

14. Further information

If you have any questions regarding this policy, please contact your line manager or the Business Assurance Team at business.assurance@salvationarmyhomes.org.uk, who will direct your query to the relevant Policy owner.

Legislative and Regulatory Framework

The following legislation, regulatory standards and documents can be relied upon to inform this policy.

Legal Framework	Regulatory Standard	Other documents
	Transparency, Influence and Accountability	Complaints and Compliments Policy
		Decant Policy

Document History Log

Lead Reviewer	Date			Version	Approval	
	Changes	Revised:	Expiry		By	Date
HoH&CS		June 2024	June 2027	3.1	SMT	26/07/24
CR&D Mgr	HOS Compensation Guidance and Trauma Informed language reflected.	Feb 2026	March 2029	3.2	HoH&CS SMT	01/03/2026 11/03/26

Compensation Payments Appendix 1

Compensation Payment Assessment Table
Date of Update: 01.04.2026

Topic	Compensation Category	Description/Criteria	Calculation
Service Failure	Discretionary Compensation	If we have failed to meet our own service standard or promise. Should the failure be due to a delay, an amount is awarded per day, up to a maximum.	**Repairs** £5 per day up to a maximum of £50 **Other Service Failure** Up to a maximum of £100
Missed Appointments	Discretionary Compensation	If we have failed to meet our own service standard or promise.	Up to £15 per missed appointment
Loss of use of whole home	Discretionary Compensation	If the whole home is rendered uninhabitable, we always aim to offer tenants temporary accommodation. If we are unable to do this, then we will refund their rent for each day they are unable to live in the property, while work is completed.	Current rent (daily rate) x number of days plus an allowance toward meals, drinking water and other reasonable expenses.
Loss of use of any bedroom or living room	Discretionary Compensation	Where a room cannot be used, the total number of rooms will be divided by the current rent. Compensation will be paid as a percentage of habitable rooms. The resulting figure is the amount of compensation for each complete week the room is unavailable.	**Main Room** 20% of the weekly rent after 7 days
Loss of kitchen / access to cooking facilities	Discretionary Compensation (part A)	Where a tenant/s lose complete use of their kitchen, Salvation Army Homes will also consider paying an allowance to contribute toward the cost of meals and drinking water	**Part A: Loss of kitchen** 30% of the weekly rent after 48 hours

	Quantifiable Loss (part B)		**Part B: No access to cooking facilities** £15 per day per person
Total loss of washing / bathing facilities	Discretionary Compensation	Where the tenant/s lose complete use of their bathroom	**Loss of bathroom – no other WC** 30% of the weekly rent after 48 hours **Loss of bathroom – other WC available** 20% of the weekly rent after 48 hours
Loss of heating and / or hot water	Discretionary Compensation	Where a failure to complete a repair, that is Salvation Army Homes's responsibility within the agreed timescale, has resulted in the resident not having full use of their utilities for an unreasonable period. Where we are able to supply suitable, alternative heating, no compensation will be paid. Where the loss of heating, hot water, or power renders a room substantially impaired, compensation based on a percentages of the rent charged.	£15 per day for complete loss £8 per day for loss of one (i.e. either heating or hot water)
Loss of Power	Discretionary Compensation	Additional loss caused by actions within the control of Salvation Army Homes or its contractors, e.g., perishables following a loss of electrical supply, should be considered discretionary Where a loss of power also affects heating and/or hot water provision, compensation will be	£10 per day for complete loss

		awarded for both loss of power and heating and/or hot water	£10 per week for loss of lighting only
Increased Utility Costs	Quantifiable Loss	Failure to complete a repair that is our responsibility and leads to the use of specialist equipment such as dehumidifiers or where we specify the use of a dehumidifier to resolve or remedy a repair	**Temporary Heater** £2 per day per heater **Dehumidifier** £2 per day per dehumidifier
Making Good Decorations or Belongings	Quantifiable Loss	Where this is the fault of Salvation Army Homes or our contractors. We will cover the reasonable costs of such damage, if it can be proven to be negligence or poor quality work was the cause, or complete the decoration ourselves.	Compensation to be determined following an inspection by us and/or via the provision of receipts that indicate the value of what has been damaged, subject to depreciation etc.
Time & Trouble	Quantifiable Loss	Where a resident can demonstrate that they have been inconvenienced by failed appointments, where they have had to make multiple phone calls, visits and had a service that has impacted on them, their family and livelihood.	Evidence may be required to show costs incurred Up to a value of £500
Failure to provide a service which is subject to service charge	Discretionary payment	This applies where a service included in a service charge has not been delivered to the expected standard for a period of time. For instance, if a communal gardener has not visited the scheme for the previous 3 months. It would not cover situations like one washing machine being broken when another machine is still available.	Compensation will be the amount equivalent to the cost charged for the service they did not receive. Any payment here might apply to other residents and not just the person who raised the issue.
Service Failure Recognition	Discretionary Payment	It is recognised that sometimes it is beneficial to respond quickly, acknowledge a failure and offer	**Payment & Apology** Up to a maximum of £50

		an immediate solution. This could involve a compensation payment to the tenant.	
Goodwill Gestures	Discretionary Payment	Goodwill gestures may be offered to acknowledge significant inconvenience or distress, helping to recognise the resident's experience and rebuild trust.	**Distress & Inconvenience caused by Communication/Delay in resolving a complaint to be decided by Head of Service**

Approval Limits
Financial regulations as approved by Board will be followed but all operational staff are empowered to offer up to £50 in respect of service failure
Senior Housing Services Manager and Regional Managers and above should are empowered to offer up to £100
Any amount over £100 should be authorised by the appropriate Head of Service

Process

1. It is recommended that payments of compensation are credited to the rent account in the first instance.
2. If the rent account is in balance/credit then payment can be via BACS or through the provision of vouchers to the equivalent value