



Riverside
Scotland

Financial Redress and Compensation Policy

March 2024

1 Context

Riverside Scotland is committed to providing high quality services in everything we do and to resolve customer complaints in a consistent, fair, impartial, and transparent way. We realise that there will be occasions where the level of service falls below our accepted standard and we will work to put things right and this may include paying redress.

Riverside Scotland aims to be consistent in our approach to redress and financial redress payments. This policy introduces a methodology for ensuring customers are not left out of pocket by our actions and for calculating redress by assessing each case by its impact on the customer.

Redress is not the same as compensation. Redress, or financial redress is setting right what went wrong for an individual or group of individuals. This means that, as far as possible, where someone experiences detriment or is negatively affected because of something going wrong, they should be returned to the position they would have been in had the failure not occurred. This may include reimbursement for quantifiable financial loss. The loss should be clearly linked to, and shown to be a direct consequence of, the failure. Examples of when financial redress may be required include:

- When Riverside Scotland has failed to provide a service or meet its service standards.
- Failure to carry out qualifying repairs within the Right to Repair timescales.
- For improvements that customers have carried out themselves, with permission.
- When Riverside Scotland is *legally liable* (at fault in law) for bodily injury or for damage to property (including a tenant's property).

Compensation is usually used to describe the financial amounts awarded by courts in damages. Courts will sometimes make very complicated financial assessments of impacts. These can include, for example, the physical effects of an injury, distress, time and trouble and other issues, such as loss of future earnings. Compensation takes the financial award beyond simple reimbursement, often as the result of applying legal tests.

Examples of when compensation may be applicable include:

- Repairs have taken a significant time to complete resulting in an impact on the health and wellbeing of the household.
- The tenant has experienced distress and significant inconvenience because of Riverside Scotland failing to provide services to an acceptable standard.

This policy has been developed in line with the Scottish Public Services Ombudsman (SPSO) Redress Policy and guidance. When determining a complaint, the SPSO will consider whether the landlord's offer was reasonable in the circumstances of the case. This includes considering whether it was consistent with the landlord's policy and whether the sum being offered was proportionate to the shortfalls in service received by an individual and the impact this had on them.

2. Financial Redress

If a customer has incurred *actual* financial loss because of a failure of service, they may be entitled to financial redress. Financial redress is generally where Riverside Scotland will offer reimbursement for specific items or damage, which is quantifiable and evidenced. Examples of financial redress include:

- **Loss of Use of Facilities**

If part, or all a home is *uninhabitable* due to delays to repairs which Riverside Scotland are responsible for carrying out, financial redress may be payable.

This would be calculated as a reduction in the rent payable, according to the number of rooms which are unavailable for use as a percentage of the number of habitable rooms (i.e., excluding the bathroom).

Financial redress will only be payable from the date that the repair was due for completion until the work is completed this can be obtained from Open Housing.

E.g., one bedroom in a house with three bedrooms, a kitchen, lounge, and bathroom is unavailable for use as the floorboards are badly rotten. The repair is reported and takes three weeks longer than the target date for completion (without good reason). The amount payable would be one fifth of the weekly rent for three weeks.

E.g., If a customer reports damp in March, and the work is not completed until June, they may be entitled to redress for the delay, however they would not be able to claim redress for not being able to use the room between December and March, when Riverside Scotland were unaware of the problem and could not do anything about it).

- **Loss of Earnings**

If a customer has taken time off from work and the contractor has failed to attend, without cancelling the appointment at least 24 hours in advance, the customer may be entitled to financial redress if they have suffered a loss of earnings. If a customer has taken time off work for a repair to be completed and the contractor does not show, they may request redress for loss of earnings. In this instance we will seek confirmation from their employer of the amount of earnings lost and the customer will be reimbursed to the confirmed value.

- **Damage to Property or Person**

Damage to Structure of Building or Property – Above £5000

If damage has occurred to a tenant's property because of negligence or fault on the part of Riverside Scotland or a contractor working on our behalf, the tenant may be eligible for financial redress. If the cost of repairing the damage is likely to be more than £5000, a claim will be made via the Riverside Insurance team Insurance@Riverside.org.uk. If the repair work is unlikely to be more than £5000, remedial works will be progressed via the Riverside Scotland Asset Team. Examples include serious damp and mould which we have failed to address.

Decanting Households

If the household is unable to stay in the property whilst repair work is being carried out, or because of the condition of the property, in all cases emergency accommodation will be provided by the Association for a temporary period until the cause of the damage can be confirmed. If Riverside Scotland, or any contractor working on our behalf has caused the damage either through action or inaction we will provide temporary decant accommodation for the household until the repairs have been fully completed. If the damage to the building is not the fault of action or inaction by the Association or any contractor providing services on our behalf, the Association will not provide decant accommodation and the household will be referred to the Local Authority Homeless service.

Damage to Tenant Owned Property

If damage has occurred to a tenant's personal property such as furniture or clothes they may be entitled to financial redress. In these cases, where it is not part of a wider insurance claim, photos should be obtained of all damage, and it must be evident and proven that the Association, or a contractor working on our behalf, has caused the damage through action or inaction. If possible, receipts for the items should be obtained to determine replacement value.

Bodily Harm

All claims for financial redress due to bodily harm or personal injury will be sent directly to the Riverside Insurance team.

● **Home Loss Payments**

Home loss payments may be made to tenants who have lived in their home for a minimum period of 12 months and are required to move permanently because of redevelopment or demolition of their home. The standard amount of a home loss payment is £1500.

● **Disturbance Payments**

Disturbance payments are made to compensate an occupier for reasonable expenses in removing her/him from the house from which s/he is displaced. Those people who do not qualify for a home loss payment, for example because they do not satisfy the residence requirement, may be entitled to a disturbance payment. The situations in which a disturbance payment can be made are broadly the same as those for home loss payments, except for a move caused by an eviction order.

Disturbance payments cover the 'reasonable expenses' of moving of the entitled person. Reasonable expenses are those which were reasonably incurred due to the move, in addition to the cost of the removal itself. There is not a closed list of items that can be claimed, but those commonly allowed include:

- removal expenses
- redecoration expenses (which should be to a similar standard as the old, which may mean that the payment will not meet the applicant's actual costs)
- reconnection charges
- redirection of mail

- carpeting (either uplifting and refitting, or replacement).

• **Right to Repair**

Under the Housing (Scotland) Act 2001, Scottish secure tenants and short Scottish secure tenants have the right to have small urgent repairs carried out by their landlord within a given timescale. This is called the Right to Repair scheme.

The Right to Repair scheme applies to all tenants of local authorities, housing associations (including tenants who are members of fully mutual co-operative housing associations), and water and sewerage authorities.

The scheme covers certain repairs up to the value of £350. These repairs are known as 'qualifying' repairs. They include:

- unsafe power or lighting sockets or electrical fittings;
- loss or part loss of electric power;
- loss or part loss of gas supply;
- a blocked flue to an open fire or boiler;
- external windows, doors or locks which are not secure;
- loss or part loss of space or water heating if no alternative heating is available;
- toilets which do not flush (if there is no other toilet in the house);
- blocked or leaking foul drains, soil stacks or toilet pans (if there is no other toilet in the house);
- a blocked sink, bath or basin;
- loss or part loss of water supply;
- significant leaking or flooding from a water or heating pipe, tank or cistern;
- unsafe rotten timber flooring or stair treads;
- unsafe access to a path or step;
- loose or detached bannisters or handrails; and
- a broken mechanical extractor fan in a kitchen or bathroom which has no external window or door.

When a tenant reports a repair, we will let them know whether it is their responsibility and whether it is a qualifying repair under the Right to Repair scheme. We may need to inspect the property to find out whether the repair is a qualifying repair or not.

If the repair does qualify under the scheme, we will:

- tell the tenant the maximum time allowed to carry out the repair;
- tell the tenant the last day of that period;
- explain their rights under the Right to Repair scheme;
- give them the name, address and phone number of our usual contractor and at least one other contractor from a list; and
- make arrangements to get into the property to carry out the repair.

If we do not start the qualifying repair within the time limit set, the tenant can tell another contractor from our list to carry out the repair. They cannot use a contractor who is not on our list. The other contractor will then tell us that they have asked them to carry out the repair. We will then pay the tenant £15 compensation for the inconvenience. If our main contractor has started but not completed the repair within the maximum time, the tenant will also be entitled to £15 compensation.

The other contractor has the same length of time to carry out the repair as our main contractor. If they do not carry out the repair within the time limit set, the tenant will be entitled to another £3 compensation for each working day until the repair has been completed. This amount can add up to a maximum compensation payment of £100 for any one repair. If there is no other contractor available our main contractor will carry out the repair, but the tenant will still be entitled to the £15 compensation payment.

If the contractor cannot get into the tenant's property at the time they have agreed, the right to repair will be cancelled. The tenant will then have to re-apply and start the process again.

Riverside Scotland will pay for the repair. If the tenant has told another contractor to carry out the repair, the contractor should send the bill directly to us.

- **Financial Redress for Property Improvements**

Under the Scottish Housing (Scotland) Act 2001, Scottish Secure Tenants and Scottish Short Secure Tenants may be able to receive compensation from their landlord for improvements which they have made to their home on or after 30 September 2002.

To qualify for this compensation the landlord must have approved the improvement, and the tenancy must have ended.

Tenants can apply for compensation when they know the tenancy is coming to an end. They can also apply if the tenancy comes to an end because the house or flat is being transferred to a new landlord. Permission, where granted, should include the following information:

- Any financial redress given at the end of the tenancy will allow for depreciation (i.e., will be less than the customer paid for the work).
- Any financial redress due to the customer at the end of their tenancy will be deducted from any money they owe to Riverside Scotland.
- If the tenancy is terminated through legal action by the landlord, or if the customer exercises their right to buy or acquire the property, the customer will not normally be entitled to financial redress.

Further information can be found on the scheme within the Scottish Secure Tenants Compensation for Improvements Regulations 2002 [The Scottish Secure Tenants \(Compensation for Improvements\) Regulations 2002 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2002/2002/contents/making)

3. Compensation

Compensation takes the financial award beyond simple reimbursement, for example, the physical effects of an injury, distress, time and trouble and other issues, such as loss of future earnings. These cases are more challenging to determine a suitable amount. Each case will be initially assessed in terms of impact and compensation value as follows:

Low Impact – the issue has caused minor inconvenience or distress – (£0-£250) and can take the form of vouchers, e.g Riverside Scotland did not visit a customer when we said we would, and the customer missed a personal appointment as a result.

Medium Impact – the issue has caused considerable service failure inconvenience or distress to the customer; this may also be a repeat incident – (£250-£700), e.g, the Association has failed to resolve damp and mould issues in a bedroom after repeated attempts and a member of the household has had to sleep on the couch during this time.

High Impact – the customer has suffered a severe long-term impact inconvenience or distress: (£700 and above). These cases will be referred to Riverside Scotland's solicitors for advice and support and possible progression via the legal route, e.g, the Association has published a customer's personal information which has placed them at risk of abuse or harassment.

4. Equalities

Riverside is committed to Equality, Diversity & Inclusion. We strive to be fair in our dealings with all people, communities, and organisations and actively promote inclusion. This policy aligns with Riverside Scotland's Equality, Diversity, and Inclusion Policy.

5. Monitoring

All financial redress and compensation payments will be recorded by the Association, and lessons learned sessions will be implemented for all which have resulted in complaints to support continuous improvement. This policy will be reviewed every three years or earlier in response to changes in legislation or Good Practice.