

Learning from: Severe Maladministration



**Taking the key lessons from our
severe maladministration decisions**

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Introduction

Compensation is emotive.

When times are hard and budgets tight, for both residents and landlords, this can lead to poor behaviours. It can result in residents expecting unrealistic redress for failings. Or organisations being reluctant to compensate.

Compensation can also be hard to calculate. How do you monetise the distress someone has experienced?

Another Ombudsman once demonstrated to me its use of Artificial Intelligence to help draft decisions. Most was accurate but for the compensation. Even the super-intelligent machines can struggle with it.

Most of our orders are non-financial and other remedies, like apologies, matter greatly. But getting compensation right locally could go a substantial way towards restoring trust amongst residents and prevent complaints escalating to us.

Compensation is also a cultural issue.

Here some landlords face challenges. Financial pressures on the sector can create a resistance to compensating. The widespread use of the term 'goodwill gesture' to describe payments, even when related to acknowledged, fundamental service failings, suggests a kindness, almost generosity, by the landlord.

This can be made worse by an unconscious stigma. We have seen internal communication where a landlord acknowledges it should pay more compensation but offers less. We sometimes need to chase for payments to be made. Or there is no recognition for missed appointments, implying a disregard of the resident's time. And last year I heard at a public meeting how a resident had lost belongings because of failings the landlord accepted. But when presented with the receipts for new clothes, it apparently asked the resident why they had not gone to a cheaper shop.

Such behaviours can derive from adopted practice. At least one landlord we encountered had taken a stance of not paying compensation.

Another's policy said it would compensate for incorrect service charges only from the point the resident complained, not from when it overcharged. Recently, a landlord would only partly compensate because the resident sought legal action.

This can lead to significant differences between our award and the landlords.

Several cases in this report involve families living in damp and mould, with walls wet to touch, for several years.

One family, where the children are vulnerable, experience damp and mould for 5 years, but the landlord offers £50 compensation.

Another household cannot use their kitchen with damp unresolved for 4 years are offered £250 by the landlord.

Another resident resorts to sleeping on the sofa with no compensation offered when the landlord first considers his complaint.

Poor decisions about redress can break trust. Often it was avoidable. A failure to listen to the resident, poor records, or considering only complaint delays rather than the main issues. These are common reasons for landlord compensation sometimes appearing small given the circumstances. This reinforces the need to embed policies and refresh training, as well as adopting a reasonable approach.

Because central to compensation is fairness.

There should be a single vision of fair compensation shared across the sector.

Individual circumstances will lead to different awards but the core principles driving decision-making should be common.

If appointments are missed, the resident's landlord should not matter to whether compensation is paid.

If rooms are uninhabitable, whether rent is considered as part of the compensation should not be debatable.

If there are aggravating factors, whether those are considered when compensating should not be contentious.

To help embed a fairer culture for compensation, this report is accompanied by an update to our **guidance on compensation**.

This guidance is still based on these core principles.

1. Recognition that compensation is not punitive but seeks to put the resident back in the position they would have been had the service failings not happened.
2. In righting those wrongs, compensation ought to distinguish between loss of service and impact. This means accounting for distress and inconvenience, time and trouble, as well as transactional costs.
3. Impact requires recognition of individual circumstances, both aggravating factors, such as physical or mental needs or the presence of children. This could increase compensation. Mitigating factors which could reduce it, such as unreasonably refusing access to the property, should also be considered.
4. These differences mean caution should be exercised when comparing cases.
5. Compensation is not always the most appropriate remedy; an apology, repair, or learning may be more effective.

Our updated guidance is another step towards a 'compensation calculator' to foster a shared understanding both within the sector and with us. It is also another step towards the complaints procedure offering a genuine alternative to legal claims, with 100% of compensation going to the resident without the need for legal costs for either landlord or resident. I know many landlords have proactively sought to align their approach to redress with ours, which is positive.

Embedding this culture will see more complaints resolved locally, and earlier. We sometimes see compensation paid very late in the process. Inevitably, where opportunities are missed or time lapses taking action, compensation can increase.

This shift should also see us making more findings of 'reasonable redress', where landlords put right service failings. We have seen progress here and I would like to see fewer cases where small additional payments are being awarded by us.

Every pound spent on compensating for service failings is unavailable for service improvements.

I know some landlords are concerned about a 'compensation culture'.

Overall, we have seen little evidence of it in our casework. That 40% of our compensation in 2024-25 relates to leaks, damp and mould underscores the systemic failings in this area.

This shows how important it is for landlords to improve complaint handling and proactively learn to prevent complaints and reduce compensation.

To support landlords, we have a range of tools available through our Centre for Learning on embedding a fair, robust compensation culture.

This report is part of a wide range of resources available to landlords through our **Centre for Learning** to embed the lessons from complaints.

Richard Blakeway

Housing Ombudsman

Compensation policies not followed

Compensation can be an important part of resolving an issue in many cases. This can be due to failings that have taken place before or during a complaint.

Landlords can offer many remedies. Sometimes compensation is the right choice to reflect the impact on an individual.

London Borough of Southwark

London Borough of Southwark (202438144) left vulnerable children in damp and mould for 5 years.

The landlord did not offer compensation at stage 1. It only offered £50 at stage 2. This was due to the late issuing of the response, not the poor living conditions. The landlord offered nothing for that part.

The landlord's policy says serious failure with a large impact on the resident will result in £1,000 every year there is a delay to both delivery and the distress caused. It can also award up to £250 for inconvenience in getting a resolution.

We awarded the resident £6,000 in accordance with this compensation policy.

Peabody

Peabody did not apply compensation in line with its own policy in 2 cases.

Case 202217418

The complaint was about a roof leak. The issues were ongoing for 7 years.

The policy proposed compensation for time and trouble. But the amount offered was not enough. This was despite the resident having to regularly chase the landlord for several years. We ordered the landlord to double its offer.

Its policy also did not cap the limit for serious disruption. It proposed £1,000 or more in these circumstances, which clearly happened in this case.

We therefore awarded the additional £1,000 for the resident.

Case 202336678

The landlord did not deal effectively with hazards. These included unsafe electrics, damp, and pests. It did not consider moving the resident temporarily. Communication was also poor.

The landlord's offer of compensation was low when looked at against its own policy. This is despite the impact on the family which included a loss of cooking facilities.

The resident also reported wires hanging down and brown water seeping through the bathroom ceiling. However, the landlord did not apply its compensation policy in this case. Doing so would have helped redress the situation.

The resident also repeatedly chased the landlord to pay the compensation it had offered.

We ordered the landlord to pay £1,000 to the resident for its lack of action. As well as more compensation for the bathroom loss for 3 months.

Landlord learning statement

The landlord is making improvements to repairs and contractor management after these cases. They say other improvements will also lead to better services and customer satisfaction.

Home Group

Home Group (202443954) did not offer any compensation despite a 3-year delay to making a repair.

The resident reported heavy leaks due to the lack of repair. The landlord's communication throughout was poor. It meant the resident had to chase on many occasions to get updates. The landlord's records were also poor during the case, with important notes missing.

We made a compensation order of nearly £1,500. This took into account:

- the landlord's compensation policy
- distress and inconvenience caused
- reduced enjoyment of the resident's home

The repair was outstanding at the point of determination. Therefore, we ordered the landlord to consider extra compensation until it completed the repair.

Landlord learning statement

The landlord has made several improvements. It has strengthened its record keeping through digital inspections to allow better work allocation and appointments, job tracking, and digital updates.

It has improved the robustness of complaint handling through a new case management system. It has installed regional Business Partners to ensure efficient complaint handling and continuous improvement learning from complaints. It is also exploring how it improves its overall repairs and maintenance offer.

Riverside

Riverside (202340331) failed to fix damp and mould over 3 years. The resident had a 4-year-old child.

The damp and mould impacted the whole house. The landlord missed appointments, and the resident had to chase for updates repeatedly. There was poor communication and record keeping throughout.

However, the landlord did not offer compensation.

We offered £3,000 for the failings. The calculation used a proportion of the rent charged during the failings. It also included the distress and inconvenience caused.

Landlord learning statement

The landlord has adopted whole house mould inspections, carrying out same-day mould washes and appointing additional contractors to reduce delays.

It now has customer liaison officers for complex cases to improve communications. It has updated its complaint handling process and its compensation policy to align with our orders. It has improved its record keeping using a single system and follow up calls now take place following a repair being completed.

London Borough of Lambeth

London Borough of Lambeth (202327080) did not offer compensation despite repairs being outstanding for 3 years.

The landlord failed to communicate with the resident and did not properly take into account his vulnerabilities. The landlord's compensation policy says it should take this into account. However, it offered nothing despite this and the ongoing repairs issues. We ordered the landlord to pay £1,200.

Landlord learning statement

The landlord says it is working on completing repairs within policy timescales, communicating consistently and correctly, and following the complaints procedures properly. This is part of a continuous learning programme for the organisation and supports the investment it is making into its homes.

L&Q

L&Q (202502269) failed to fix damp and mould for nearly 4 years. The landlord's actions forced the resident to sofa surf while it completed works. The landlord did not arrange a temporary move.

The landlord did little to progress the repair. It also did not keep the resident up to date. She told the landlord she could no longer stay with her family. It did not provide temporary housing for nearly 9 months.

The landlord did not offer compensation at stage 1 but did at stage 2. The landlord had lost the chance to provide redress by then.

We ordered the landlord to pay 3 times the amount it offered. This was due to significant distress and inconvenience caused to the resident in both repairs and rehousing.

Landlord learning statement

The landlord has since strengthened its complaints service, record keeping and compensation policies, supported by additional staff and resources.

Learning from compensation policies not followed

An effective compensation policy is essential for landlords. It ensures they can put things right when something goes wrong.

Landlords must build flexibility into their approach. No 2 cases are the same because individual circumstances differ.

A strong set of parameters for compensation ensures consistency. It also empowers staff to make confident offers that help resolve disputes and repair relationships.

Failure to apply the policy correctly in practice can often result in residents seeking help from us. Our [new guidance](#) is clear on where landlords should offer financial redress. It also explains how to calculate it. This will help landlords and residents reach agreements earlier without having to access our service.

If a landlord says it will consider compensation when it has more information, it should fulfil that promise. Where a landlord offers compensation, it should pay it quickly.

Increase in compensation after stage 2

In some cases, we have seen a landlord increase the offer of compensation after the stage 2 response. While it is welcome landlords do not give up on a case following its final response, this is still delayed redress for a resident.

Stonewater

Stonewater ([202447159](#)) failed to fix damp for 2 years. The repairs issues were ongoing at the time we made our determination.

The landlord missed appointments, failed to complete some repairs, and had to do several inspections. The delays caused more damage to the home.

The landlord only offered compensation after our evidence request. This was 7 months after the resident finished the complaints process.

While the £5,000 offer was reasonable, it could have come much earlier. This was an increase from just over £600 it previously offered.

Landlord learning statement

The landlord has introduced virtual triage for complex damp and mould cases. This allows quick assessment and escalation of suspected high-risk issues.

It also introduced mandatory reasonable adjustment training for customer facing colleagues. Residents now receive an action plan from the start of any repair.

Clarion

In 2 cases, **Clarion** increased its compensation offer after its stage 2 response.

Case 202321081

The landlord did not complete bathroom repairs for a resident with a disability for 2 years. There were long periods of time where the landlord took no action.

This lack of action meant there were times when the house had no functioning toilet. The landlord did not keep the resident updated. It also did not check works after completing them.

It increased its compensation offer 10 months after its stage 2 response. However, this was still not enough for the impact in this case. We ordered the landlord to pay more.

Case 202441230

The landlord did not test the water for 5 months after the resident reported issues.

The landlord often did the same repairs several times or did not act on recommendations. It's communication was poor, and it did not keep accurate records.

It had been 188 weeks since the resident first reported issues. The landlord still had not fixed the problem.

The resident received an offer of £3,000 only after the case came to us. This was an increase from £800 at stage 2.

Landlord learning statement

The landlord has improved its repairs processes and post-inspection tracking. It has also improved vulnerability recording and introduced dedicated case management for complex repairs.

Since this case, the landlord says it has introduced a single point of contact for complex cases. This gives clear senior escalation routes, and a real-time feedback tool to help identify and resolve issues more quickly for residents. It has also improved its internal reporting for improved record keeping.

Learning from increases in compensation after stage 2

Landlords should put things right for residents during their formal complaint process.

Landlords should review their actions as new information comes to light. They should reflect the increasing impact where an issue continues over time.

However, greatly increasing an offer after our intervention is not reasonable redress.

This approach misses the chance to rebuild trust with the resident during the complaints process. It can also disadvantage residents who decide not to bring their complaint to us.

Significant increases in compensation at determination

In these cases, the difference between the landlord's offer of compensation and our offer is significant. This is one of the areas we hope the new compensation guidance will improve.

Our Annual Complaints Review shows we award less compensation per case. However, these cases involve payments much higher than average.

L&Q

In 2 cases, we found severe maladministration for how **L&Q** dealt with leaks. In both cases, the compensation we offered was significantly higher than the landlord's offer.

Case 202314975

The landlord only offered £50 despite many delays in making repairs following a leak. This included 73 working days to restore the ceiling lights, smoke detectors, and heat detectors. Despite the safety concerns.

It also took 251 working days to look at and repair damage to the walls and ceilings.

We ordered the landlord to pay the resident an extra £850. This was for the impact its actions had on her. This reflects the 14 months to put matters right after the initial leak.

Case 202348138

The landlord did not effectively deal with a leak. This meant the resident lost the use of his bedroom for 16 months. Damage to the bedroom ceiling meant he had to sleep on the sofa.

The landlord did not respond quickly to the hazard in the home. It did not show urgency in its actions. The communication and record keeping from the landlord was poor throughout.

The landlord offered compensation. However, it did not account for the loss of enjoyment of the home.

We used a proportion of the rent charged to the resident to calculate for impact of the loss of the room. Including failings in the landlord's complaint handling, we offered the resident a total of £6,000.

Landlord learning statement

Since these cases the landlord has improved the responsiveness of its repairs service. It has also made improvements in its complaint handling, record keeping, and compensation policies.

London Borough of Kingston

London Borough of Kingston (202451646) only offered £150 in compensation for leaks, damp, and mould in a home for 2 years.

A child with extra needs lived in the home. The landlord still failed to carry out a risk assessment. The landlord often delayed works during the case. It did not reply to concerns about damaged belongings either.

The bedroom walls in the home were wet. The children could not use their bedroom due to damp and mould. They slept in the front room.

The landlord failed to appropriately remedy the situation. Despite upholding the complaint, it offered no compensation for the impact at stage 1. It offered £150 for complaint handling delays in its stage 2 complaint response.

We offered over 10 times more compensation. This reflected the impact of poor living conditions. We calculated this using a formula based on a proportion of the resident's rent.

Landlord learning statement

The landlord has added extra resources to manage damp and mould issues. This includes training of staff and contractors, improved process, and case management.

It has also introduced a new QR code that will allow staff and contractors to report damp and mould and other risks in a home to begin investigation and remedy.

Hyde Housing Association

Hyde Housing Association (202335613) did not act on recommendations following heating loss.

This lack of action left the resident with heating issues for nearly 4 years. This led to damp and mould appearing in the home.

The landlord offered £450 for the delay in carrying out the heat-loss recommendations. It did not compensate for the full time of impact. This was because the resident had raised a disrepair claim.

This exclusion was not in line with the landlord's policy or our Complaint Handling Code.

We awarded £5,000 for the failings in this case. We based this on a proportion of the rent during the affected years. This included distress and inconvenience. It also covered loss of enjoyment of the home.

Landlord learning statement

The landlord has invested in better record keeping, particularly around resident vulnerabilities, and introduced new complaints management processes. It has improved internal communications, to avoid delays and miscommunication when doing repairs.

Additionally, residents can track repairs online. The landlord now makes regular check-in calls to keep residents informed on progress.

Cornwall Council

Cornwall Council (202347155) failed to make roof repairs for 20 months.

The landlord did not communicate with the resident and did not complete the actions promised. It did not take into account the impact the issues were having on the resident's health.

The resident had to often chase the landlord for updates. Due to the ongoing nature of the roof repairs, damp and mould appeared in the home too.

Despite the hazard in the home, the landlord failed to monitor or fix the situation.

The landlord only offered £600 for the failings in this case. We awarded £3,500. The compensation is both for the distress and inconvenience caused. As well as using a proportion of the rent charged to reflect the loss of enjoyment of the home.

Landlord learning statement

The landlord has a new repairs contractor and has introduced locality working. This is a new way of organising repairs and housing management teams, being based around the 3 areas of its repairs contractor patches.

Peabody

Peabody (202450722) delayed paying the full cost of the resident's temporary accommodation. Even though her home was uninhabitable.

It took 2 months for the landlord to source the accommodation despite the major health issues of the resident. It did not make the full payment for 8 months.

At the point of our determination, the landlord had not confirmed the home was safe. This meant the resident remained homeless. Our orders put things right for the resident.

The landlord offered £900 in compensation. We offered £4,600.

£3,600 was for the significant distress and inconvenience of the delay in finding a temporary home. This included a time where the landlord decided the resident needed temporary accommodation but did not include in its payments.

Landlord learning statement

The landlord has strengthened how it assesses and approves payments. This is to ensure they are fair, consistent and proportionate. This includes clearer guidance for staff and stronger oversight of decisions.

Hexagon Housing Association

Hexagon Housing Association (202444542) did not do timely repairs which led to damp and mould. This meant children with vulnerabilities were living in damp and mould. The landlord did not arrange a temporary move appropriately.

The landlord only offered £75 in compensation across both stages of its complaints procedure. We ordered £4,000. This was based on a proportion of the rent charged to the resident for loss of enjoyment of the home, as well as the impact of the failings on the family.

Karibu Community Homes

Karibu Community Homes (202427163) only offered £100 compensation despite several disrepair issues. This included window repairs in a child's bedroom, damp, pests, and faulty kitchen units.

There were big delays throughout this case and issues with inspections.

We made a compensation order of £2,200. This included compensation for damaged belongings it had offered but not paid, as well as the impact on the family.

Landlord learning statement

The landlord has introduced a dedicated Complaints Officer, increased the repairs team, standardised contractor management, and invested in better systems, training and record-keeping.

Freebridge Community Housing

Freebridge Community Housing (202432825) left a resident without a useable kitchen for over a year. This was due to damp and mould.

The damp and mould was in the home for 4 years when the resident made a formal complaint. She said her children had developed health problems because of it.

The landlord said it had fixed the issues, but the resident reported mould growing faster than she could clean it. The landlord delayed inspecting or carrying out a damp and mould survey.

The landlord did not offer alternative housing. They offered only £250 compensation for the upset.

We ordered £3,000 in compensation. Half was for the distress and inconvenience caused due to the delays. The other half for the landlord leaving the resident without a useable kitchen.

Landlord learning statement

The landlord has strengthened how it identifies, prioritises and escalates damp, mould and complex repairs. It has also improved how it has embedded the requirements of Awaab's Law and communication where essential facilities are affected.

London Borough of Haringey

London Borough of Haringey (202416895) left a leaseholder without water for 8 weeks. It also failed to fix a roof leak.

The landlord has a legal duty to make sure there is a water supply. When the resident reported a broken stopcock, the landlord did not respond on time. It did not offer any alternatives for water during this time.

The landlord offered £280 for this failing. We ordered £1,000 for the distress and inconvenience caused.

The landlord also did not respond well to a roof leak. The leak caused the resident to not have full use of his bedroom. The lack of urgency to deal with the leak could have caused more damage in the home.

It took the landlord 9 months after inspecting the roof to make any attempt on repairs. There was no evidence of temporary solutions or updates during this time.

The landlord reported issues with no access in neighbouring properties. But this was because the landlord did not inform them contractors would be attending.

The landlord offered £200 for those failings. We ordered £1,500. This was because of the additional distress and inconvenience caused.

The leak lasted a further 12 months after the landlord's stage 2 response.

Basildon Council

We made a severe maladministration finding for **Basildon Council** (202407113) after delays to repairs in a resident's kitchen made it hard to use. Damp and mould was also in the home.

The communication from the landlord was poor throughout. The lack of repairs meant the resident was unable to use her washing machine. At times operatives left units in the hallway or the washing machine in the living room.

The resident said the home was becoming cold and worsening her mental health because of the ongoing repairs issues.

Despite the failings in this case, the landlord offered £200 in its complaints procedure. We ordered the landlord to pay £2,400 to the resident. This covered the distress caused. It also covered loss of enjoyment of the kitchen. We used a formula based on a proportion of the rent charged to the resident.

Several repairs were outstanding at the point of our determination. Our other orders sought to resolve these for the resident.

Learning from increases in compensation at determination

Landlords should think about a range of factors when offering compensation. This includes:

- the length of time an issue has gone on for
- circumstances of the household

Landlords should consider how unusable rooms affect residents' enjoyment of their home. Other areas include missed appointments and communication failings.

Sometimes landlords only compensate for complaint handling delays. They do not fully consider the main issue behind the complaint.

When complaints have several issues, landlords may compensate for some but miss others. Landlords may also fail to properly look at issues such as temporary accommodation.

Inevitably, where a landlord's offer of compensation misses parts or does not fully consider others, our awards may be higher. By taking all areas of the complaint into account, landlords can ensure they make fair and proportionate compensation offers and may prevent complaints coming to us.

Sometimes a landlord will believe the lower amount it has offered is acceptable in a case. Or a resident may expect more compensation.

The level of compensation we have ordered is not a reason to request a review of our decision. Landlords or residents should show us new evidence or reasons why the decision should change.

Centre for Learning resources

Compensation guidance

Our orders key topics page with reports, podcasts, and case studies.

Repairs key topics page with reports, podcasts, and case studies.

Repairs and property condition fact sheet

Knowledge and information management key topics page with reports, podcasts, and case studies.

Knowledge and information management eLearning on the Learning Hub.

Temporary moves key topics page with reports, podcasts, and case studies.

Damp and mould key topics page with reports, podcasts, and case studies.

Damp and mould eLearning on the Learning Hub.

The Complaint Handling Code

Glossary of terms used

Term used	Meaning
Severe maladministration	A finding made by the Housing Ombudsman. Where a landlord has failed significantly in its duties. It shows serious service failure that caused residents harm, distress, or disadvantage.
Leaseholder	Someone who bought a property from a social landlord. They own the home for a fixed time but not the land. They have responsibility for internal repairs. The landlord is responsible for the building structure and shared areas.

Housing
Ombudsman Service

PO Box 1484, Unit D

Preston

PR2 0ET

0300 111 3000

www.housing-ombudsman.org.uk

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