

**Housing Ombudsman
Special Report on
Catalyst Housing Limited**

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Introduction

The Housing Ombudsman makes the final decision on disputes between residents and member landlords. Our decisions are independent, impartial and fair. We also support effective landlord-tenant dispute resolution by others, including landlords themselves, and promote positive change in the housing sector.

This special report follows an investigation carried out under paragraph 49 of the Housing Ombudsman Scheme, which allows the Ombudsman to conduct further investigation into whether there is a systemic failure.

Factors that may be indicative of a wider service failure may include, but are not limited to the following:

- a policy weakness
- repeated service failure
- service failures across multiple service areas, and
- lack of oversight and governance to identify and act on repeated issues.

The Ombudsman's wider investigation was prompted by the landlord's response to an individual complaint (202103784), which identified concerns with the landlord's complaint handling and aftercare for new builds.

Catalyst Housing Limited is in the final stages of merging with another housing association, Peabody Trust. Catalyst Housing Limited became a subsidiary of Peabody in April 2022, with the organisations merging to form a new single housing association by April 2023, which will be called Peabody. In preparation for this merger, Catalyst Housing Limited has adopted Peabody's policies and procedures.

This report provides insight to help the merged landlord strengthen its complaint handling and address the substantive issues giving rise to complaints, to help extend fairness to other residents and prevent complaints in future. Our findings are limited to the individual investigations considered and do not seek to be a comprehensive assessment of the entirety of the landlord's performance. We have, however, reviewed the Catalyst Housing Limited cases currently being referred to the Ombudsman and considered these against the changes and the improvements the landlord says it has made.

We also publish the report to help other landlords identify potential learning to improve their own services. This is part of our wider work to monitor landlord performance and promote learning from complaints.

Investigation Findings

We monitored complaints made to Catalyst Housing Limited that were brought to the Ombudsman for investigation over a six-month period from 13 May 2022. This totalled 13 cases and relate to complaints initially made to the landlord during 2020/21.

The Ombudsman's findings from these investigations are set out in the table below.

The Ombudsman made 31 findings across these cases and found maladministration (including service failure and severe maladministration) in 28 of them. Overall, this represents a maladministration rate of 90%.

Findings	Severe maladministration	Maladministration	Service failure	No maladministration
202014330			<ul style="list-style-type: none"> • Communication • Complaint Handling 	
202101599		<ul style="list-style-type: none"> • Anti-social behaviour • Complaint Handling 	<ul style="list-style-type: none"> • Communication 	
202114965		<ul style="list-style-type: none"> • Repair Handling 	<ul style="list-style-type: none"> • Complaint Handling 	
202103784	<ul style="list-style-type: none"> • Complaint Handling 	<ul style="list-style-type: none"> • Repairs • Repair Handling 	<ul style="list-style-type: none"> • Complaint Handling 	
202006194	<ul style="list-style-type: none"> • Record Keeping 	<ul style="list-style-type: none"> • Complaint Handling • Repair Handling 		
202014121			<ul style="list-style-type: none"> • Complaint Handling 	<ul style="list-style-type: none"> • Communication

202010750			<ul style="list-style-type: none"> • Complaint Handling • Repairs • Communication 	
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202115702			<ul style="list-style-type: none"> • Repair Handling 	
202103564		<ul style="list-style-type: none"> • Complaint Handling • Noise Complaint 		
202113998		<ul style="list-style-type: none"> • Complaint Handling • Repairs • Record Keeping 		
202110773		<ul style="list-style-type: none"> • Complaint Handling 		<ul style="list-style-type: none"> • Fund Management
202107468		<ul style="list-style-type: none"> • Complaint Handling • Repairs 		
202114569			<ul style="list-style-type: none"> • Handling Resident Concerns 	<ul style="list-style-type: none"> • Complaint Handling

Themes Identified

When deciding whether a failing is systemic, we look at whether the impact of maladministration is limited to a single area or cuts across different services and resident experiences.

The cases we considered during the monitoring period share common themes, trends and consequences for the residents involved. Residents experiencing defects in their new build properties were subjected to unacceptable delay in having these addressed. Repair records were absent or inaccurate, resulting in delay, confusion and, in some cases, incorrect advice being given.

Communication by the landlord was consistently poor, with residents having to chase responses and repeatedly request information. Where residents raised formal complaints, these were often not treated as such and therefore, left the resident exposed to additional delay, risk and uncertainty.

Though the landlord used compensation as a remedy, this was at the expense of the principles of dispute resolution and a genuine effort to learn from complaints, increasing the likelihood of the same or similar issues happening to other residents.

Informal complaints

It is essential for landlords to distinguish between service requests and formal complaints. This has been at the heart of the Complaint Handling Code since its publication almost three years ago, and the Code is clear landlords should avoid informal (or stage 0) procedures where the resident expresses dissatisfaction in line with the complaint definition provided in the Code. Otherwise, this risks poor practice which deprives residents of full access to redress.

Informal complaint handling is ambiguous for the resident and can also be problematic for the landlord. If there is no record of the details of the complaint and what the substantive issue is, this impacts upon each service areas, such as repairs, ability to be responsive.

We found frequent informal handling of complaints outside of best practice which has led to confusion over the status of residents' complaints. These ambiguous practices have sometimes undermined natural justice.

By effectively operating a 'Stage 0' and failing to recognise and record matters as a formal complaint, the landlord has missed both the opportunity to achieve earlier resolution and to analyse themes and trends emerging from its complaints to drive service improvement.

This reflected a lack of understanding of the Complaint Handling Code by complaint handlers, specifically in recognising when the complaint process should be commenced, meaning that matters were both not investigated or escalated accordingly. This approach had the effect, however unintentionally, of blocking access

to the complaints process. It also resulted in the substantive issue not being addressed.

In case 202103784, the resident complained about draughts and an issue with the property's heating. The resident expressed concern about the cold living conditions for her and her young family and said they could not use the top floor at all as it was too cold for her premature baby, who had health complications. The landlord passed the resident, and the responsibility for addressing her complaint, between multiple departments and did not begin to investigate the issue until four months later. During this time, the resident and her family continued to live in a property with inadequate heating and insulation.

The landlord did not complete its internal complaints process until nearly 11 months after the issues were first raised and not until the Ombudsman issued a Complaint Handling Failure Order. The landlord failed to treat the resident's complaint with the necessary attention, care and importance.

The landlord has accepted complaints were not always properly identified and were incorrectly dealt with on an informal basis. It sets out that it has:

- recognised its complaints processes fell below a standard residents have the right to expect.
- introduced a centralised complaints team, a new head of service and a new complaints policy.
- revised its stage 1 and stage 2 complaint response templates to ensure these are compliant with the Complaint Handling Code.
- changed its stage 2 review process, with this now being undertaken by two managers.
- trained staff in the Complaint Handling Code.

'Service recovery'

The landlord says it has also removed its informal complaints handling stage from its process and communicated this to its staff. While this is welcome, there remains the risk that genuine complaints are not identified, because of the way in which it handles problems while responding to a service request.

The landlord operates a 'service recovery' process where there is an opportunity to resolve issues 'there and then'. The landlord's complaints policy stipulates residents are empowered to decide whether a concern is handled as a service recovery issue or a complaint, but it is not clear how this choice is presented to residents, nor what the process is if it cannot make contact with the resident to clarify how they would like to progress their matter.

The landlord's training for staff asks them to use their discretion appropriately when considering whether the matter is a formal complaint or a service recovery issue. This effectively provides staff with the permission to handle complaints informally and would appear to contradict the statement in the complaints policy that it is for the resident to

decide how they would like their issue handled. This compounds the continuation of poor practice and risks preventing residents from accessing the complaints process.

The training also states that there should be no unreasonable delays when handling a complaint outside the formal process, including identifying that it is a formal complaint. This reintroduces the concept of informal complaint handling, despite it being removed from their policy. The landlord does not define what it considers 'unreasonable' to be and instead relies on it is a judgement call based on the circumstances. This language allows for wide interpretation and risks errors in access to the complaints system and significant inconsistency in how cases, and residents, are treated.

This approach also risks genuine complaints being lost or, at best, delayed. The scale of this risk is apparent in the respective volumes of cases handled inside and outside the complaints process. In the 12 months to the beginning of January 2023, the landlord had dealt with 1575 'service recovery' cases. In contrast, it had only dealt with 843 complaints at stage 1 and 175 at stage 2. The landlord says that residents are not being denied access to the complaints process, there is ongoing monitoring and a supervisor does spot checks to make sure that they have been correctly identified. However, we are concerned that this monitoring is not sufficient and inconsistency may result in residents being treated with unfairness.

Quality assurance

We also have concerns around the landlord's approach to quality control and assuring complaints. Our review of the casework suggests a more comprehensive approach to quality assurance may have detected the issues that were identified by the Ombudsman. For example, in 202110773, it took the landlord over nine months to escalate the complaint to stage 2. The landlord attributed this to an allocation error, which an effective quality control and assurance process should have identified.

The Ombudsman requested details of the quality assurance measures in place for the landlord's complaint handling process. The landlord provided a document that we consider does not go far enough in setting out the best practice elements of a quality assurance process for complaints handling. It says that documents will be checked for quality and for plain English, but does not define what it considers 'quality' to be, nor what the standard should be. Quality standards inform the quality assurance process and, in the absence of any, it is unclear how the landlord intends to set and achieve its quality assurance outcomes.

It is unclear whether the quality assurance process articulated in this document has been formally approved and embedded and if so, for how long. It is also unclear whether quality assurance reporting is provided to managers and the senior team so lessons can be learned. Indeed, if this was the case, we would expect the quality assurance document itself to have been challenged owing to the number of typographical errors. Our concern is that the creation of this document was rushed in response to our evidence request, resulting in errors and a lack of sufficient detail.

The document also states that there are plans to set objectives for colleagues relating to quality, percentage of cases resolved, and monitoring resident satisfaction across a sample of 40% of closed cases. This intention strongly implies that there are currently

no objectives set for quality, nor that resident satisfaction is being adequately monitored.

The landlord's informal complaint handling encourages staff to contact residents by telephone. Direct communication is to be encouraged, but it requires strong record keeping and for calls to be quality assured. It is not apparent this is happening. The landlord's quality assurance procedure makes no reference to call sampling, or reviewing notes of conversations if the call was not recorded, as part of this monitoring.

In summary, the landlord needs to take further actions to ensure there can be no confusion regarding informal complaints handling. Taking into account the discretionary aspect of the landlord's process, lack of clear timescales for service recovery action and the absence of comprehensive and formal quality assurance procedures, the Ombudsman is concerned complaints will still be erroneously treated as 'informal' for inappropriate lengths of time.

Staff should have clear guidance on what is and is not a service recovery issue, what the timescales are for resolution, and when this should be escalated to a complaint.

The landlord should also have a defined quality assurance process for the monitoring of their service recovery case handling to ensure it is being used appropriately, particularly given that its application is contingent on discretion.

Case Study – 202014330

Mr S lived in a property which needed extensive work, which was expected to last two years. Prior to the work being carried out, the landlord provided a works programme. This included instruction that if he were to stay at the property, he would need to ensure all windows remained closed for the duration.

The landlord said that it would review options for air conditioning units and temporary heaters as seasonally needed. It also provided a payment of £3,500 for the inconvenience Mr S would experience.

Mr S kept to the agreement of keeping windows closed and contacted the landlord mid-way through the renovation to request air conditioning units. The landlord refused the request for the units saying it provided the one-off payment to account for the inconvenience and it would not be cost effective to provide units.

Mr S raised a complaint, but the landlord was late sending both the stage one and stage two responses due to the complaint being dealt with informally at times; there was an 11 month delay in issuing the stage 2 response. The Ombudsman had been involved to help encourage a reply from the landlord. The landlord's reasons as to why it wasn't providing the air conditioning units changed between the two complaint responses. Mr S found the varying responses confusing and frustrating and was unhappy with the delay and the way the landlord had handled his complaint.

The Ombudsman reviewed the complaint and found that neither party now disputed the promise to provide air conditioning units. Although the landlord did not have a responsibility to provide the units, it was reasonable to expect it communicate any changes and manage Mr S's expectations. The landlord had previously denied offering the units and later admitted it could not follow through with the promise. The Ombudsman found the landlord had not been fair or clear in its communication and management of Mr S's requests or complaint.

The Ombudsman found service failure by the landlord in respect to the request for air conditioning and complaint handling with an order to provide a further £250 in compensation. This was because the landlord had been inconsistent with its position regarding the air conditioning units and had not managed Mr S' expectations. Nor had it managed the complaint within its set timescales causing delay and potentially blocking access to his right to escalate his complaint to the Ombudsman.

Complaint handling

Investigation

We found a pattern of the landlord offering compensation as a way of resolving the complaint without investigating the issues raised. Compensation can play an important role in complaint resolution and putting things right, but not at the expense of following a thorough and fair process of investigating the complaint and addressing the specific points raised.

If the landlord did investigate the issues raised, it often did not refer to any such investigation as part of the complaint response.

For example, in case 202107468, the Ombudsman expressed concern that, although the landlord increased its offer of compensation in its final response, it had failed to grasp the underpinning issues which led to the landlord failing to rectify reported defects over a period of more than three years.

Learning

We also found limited evidence in the cases we reviewed of the landlord learning from outcomes. This means the landlord is missing opportunities to take steps to prevent the need for residents to raise complaints about the same or similar themes.

The landlord has said it now has a strategy in place to learn from complaints and has established a mechanism for identifying themes and trends. Communication and unnecessary delays are areas it will be keeping a particular focus on.

The landlord has a 'continuous learning process' and states that is how it monitors the success of any changes or improvements. However, it is unclear how the landlord plans to evaluate the strategy's effectiveness and ensure it is embedded across the organisation, particularly taking into account the forthcoming merger.

Escalations

Where matters were logged as formal complaints, we found complaints were not always escalated to stage 2 when requested by the resident. In the instances where the complaint did appear to have been escalated, the response was not always clear that it had been considered at stage 2 of the process. We also found the Housing Ombudsman Service was not clearly signposted to residents at the end of stage 2.

Furthermore, the landlord's policy denied escalation to stage 2 if the complaint involved compensation. The landlord has confirmed this exemption to escalating the complaint has now been removed from its complaint policy.

The landlord has accepted that its stage 2 complaint responses are of poor quality, with little or no investigation and no assessment of the impact and severity of the issue when considering an appropriate remedy.

We are also concerned that the landlord's complaints policy states, "...where we find it necessary or justified, we have the discretion to vary the complaints policy, ensuring accurate and reasonable evidence for doing so is in place and recorded. Any discretion will be applied fairly and appropriately, and complaints will be progressed as far as possible to maximise the opportunity to resolve a dispute."

The Ombudsman is concerned about this further application of discretion, particularly in regard to how the landlord will assure itself this is being exercised fairly, consistently and appropriately.

Resources

It is clear that resourcing issues in the complaints teams has contributed to some of these failings. The landlord has acknowledged that its process for allocating stage 2 cases was flawed with a shortage of managers to allocate the cases to and some managers either did not view complaints as a priority or did not have sufficient knowledge of the relevant specialist subject area to fully understand and investigate the complaint.

The landlord has also acknowledged the issues of delay in its complaint responses. It now responds to 70% of cases within 10 working days. The doubling of complaint volumes since October 2022 has impacted its ability to improve that statistic.

The landlord also chases owners of overdue cases to either update the database if the response has actually been sent, or to extend the deadline with the resident's agreement.

The landlord has 45 complaints handlers who now receive training in investigative skills. The landlord plans to introduce further modules and tiers of training for continuous professional development with the landlord's ambition to be the "front runners in complaints management for the sector".

The Ombudsman has reviewed a sample of the landlord's most recent complaints correspondence and is encouraged to note there are clear improvements.

Case Study – 202101599

Mr. W relies on carers for support. He raised repairs that needed carrying out at his property and concerns over anti-social behaviour (ASB) happening in communal areas.

The landlord's complaint policy states it will reply to the residents within 10 working days. Mr. W said he raised his repair issues and then re-raised them the following year. The landlord acknowledged his complaint the second time and set out actions it would take to help resolve the complaint, but without any explanations for delays in responding to the previous contact. Mr. W contacted the Housing Ombudsman for assistance and to address unanswered points. He was also unhappy that he had been trying to raise further complaints over the telephone and was directed to contact the landlord by email.

The landlord responded to Mr. W's complaint twice the following month but had not clarified at which stage in its process or explained how he could escalate his complaint. It issued a stage 1 response later that same month but he remained unhappy with its response as it did not address the ASB reports.

This service contacted the landlord by telephone on Mr. W's behalf but the complaint handler was unable to advise whether a stage 2 response had already been sent and were adamant Mr. W was happy with the complaint outcome. The landlord then tried to resolve the complaint informally despite the Ombudsman requesting the landlord formally escalate the complaint to stage 2. Citing a response from complaints was a formal complaint, the complaint handler appeared not understand the difference between a reply and an official stage 2 response.

The landlord issued its official stage 2 response but due to the delay Mr. W's carers had reportedly stopped attending the property as they were intimidated by the ASB in the communal areas. The final response was not sent inside the landlord's own timescales, nor did it include key information as outlined in the Ombudsman's Complaint Handling Code.

Following its review, the Ombudsman found maladministration in relation to the way the landlord had handled the ASB reports and also the complaint handling. The landlord did not evidence it took reasonable steps to understand, record and respond to the ASB reports. It did not log and escalate Mr. W's complaints using its own complaint policy, meaning he experienced unnecessary delays and inconvenience.

The landlord was ordered to pay £400 and carry out an appropriate risk assessment and action plan in response to the ASB reports. It was also ordered to remind its complaint team of the importance of promptly logging complaints formally and at the correct stages.

Compensation

When a resident complains and something has gone wrong, we expect the landlord to put it right and remedy any impact on the resident. Our Complaint Handling Code and remedies guidance is clear that any remedy must reflect the level of detriment caused to the resident as a result of what has gone wrong, considering factors such as the length of time that a situation has been ongoing.

We found the landlord's offer of compensation was not always commensurate with the severity of the issue. In the case 202006194 the resident had to endure a leaking roof for nearly a month. The landlord logged it as an emergency repair, but delayed in acting on it and the resident had to attempt to fix it herself as her belongings were being ruined. Despite this clear service failing, the landlord only offered £200 in compensation.

During the monitoring period, the landlord's compensation payments ranged from £100-£4500, with amounts increasing in some cases as the complaint progressed. Larger payments were seen where the resident remained dissatisfied and wished to escalate their complaint further or refer their matter to the Ombudsman.

In several cases, it is not clear how the landlord calculated the appropriate level of compensation. Its awards were not always based on an assessment of the severity of any service failure or the length of time or frequency. This absence of a rigorous investigation of the complaint meant the landlord did not have all the information required to make a reasonable assessment of the redress required.

Since the monitoring period, the landlord has updated its compensation policy. It has sought to provide structure and clarity on the amounts of compensation residents can expect to receive by for example, setting a compensation rate for when a resident has been left without hot water or electricity.

The policy says that when assessing compensation, the landlord considers factors such as any household vulnerabilities, including age or disability, but this is in a separate section to the information about set rates so there is the possibility that they will not be considered. It also remains unclear whether the landlord awards compensation as part of their remedies, without a resident having to apply for it.

Case Study – 202006194

Mrs. P is the resident of a property owned and managed by the landlord. She made a formal complaint in relation to a leaking conservatory roof. Mrs. P had reported the leak some weeks prior and it was yet to be fixed. She had reported the water leaking through to her kitchen and causing damage to the property and many of her belongings.

The landlord advised Mrs. P that a contractor would attend but this did not happen and she reported further damage occurring as a result of the delay. The landlord then sent a contractor but without a prior appointment, meaning Mrs. P was not available at the time, thus causing further delays to the repair.

The landlord recorded the leak as an emergency with a 24 hour repair time. While a contractor did initially attend the appointment, they did not carry out the necessary work or attend the follow up appointments. Meaning Mrs. P had to take her own action to try to temporarily stop the flow of water into the house. The leak was not repaired for nearly a month after Mrs. P reported it.

In its final complaint response, the landlord noted the repair had been completed and offered £200 by way of apology. The response was not in line with the Ombudsman's Complaint Handling Code as it was not evident it reflected the level of detriment caused.

The landlord had not commented on Mrs. P's report that the contractor took no action to prevent further damage by making the leak safe. Neither was there an indication that it looked into the reason for the leak and that it might be due to previous inadequate repairs. It did not consider that the delay in carrying out the repair contributed to damaged belongings or the impact on Mrs. P who described the experience as emotionally distressing and 'a nightmare for her family'.

As such, this service found that the offer of £200 appeared arbitrary. We determined that the compensation did not go far enough to 'put right' the distress, inconvenience or time and trouble Mrs. P had experienced. Neither was there evidence that the landlord had learned from the outcome as it had not looked to investigate the causes of the failings or address them.

We found severe maladministration for record keeping due the lack of any records meaning it was not possible for this service to fully establish what happened. We found maladministration in the landlord's handling of reports of the leak and the offer of compensation due to the lack of investigation and explanation. It had not fairly addressed Mrs. P's request for compensation or been found to follow its own compensation policy or complaints policy, only providing a single response to her. It was ordered to pay Mrs. P £700 and carry out various staff training exercises as well as recommending the landlord ensure that it details any failings so that there is clear rationale provided for any financial redress.

Repair records

Good record keeping is integral to landlords' service provision. With good record keeping comes certainty over who has done what, and when. Record keeping is also a key pillar of the Social Housing White Paper to drive up standards and improve the regulation of the social housing sector.

Record-keeping was a clear theme in the cases we reviewed. In particular, the quality of repair logs were often problematic. This includes missing repairs logs, closing jobs in error, and reported repairs and completion dates not being captured accurately.

This results in a delay in the substantive issue being addressed, as well as confusion, uncertainty and frustration for the resident.

In case 202006194, the resident complained about leaks to their roof. Despite raising the leak as an emergency, it took the landlord three weeks to address, rather than the 24 hours stated in its policy. As a result, the resident suffered damage to her belongings, including her fridge and freezer.

The landlord offered the resident £200 compensation for the delay, but failed to consider its role in the damage to the resident's belongings and instead referred her to her contents insurance.

During the Ombudsman's investigation, the landlord was unable to provide its repair records and explain why it had failed to act in accordance with its emergency repairs obligations because a system change meant they could not be accessed.

In another case (202010750), the landlord failed to record that a resident needed to rearrange a gas inspection so that she could be there to let the engineer, leading to a delay in the inspection of over a month and, in the meantime, the resident being warned about her legal requirement to allow access for gas safety checks when she had made a reasonable request to rearrange.

The landlord has accepted there were issues with their record-keeping, particularly in regard to repairs. In response, the landlord now has developed its systems and a centralised CRM database.

However, in the initial evidence submitted to us by the landlord, it is apparent the CRM system is not being used consistently or effectively. This is reflected in the external independent review of an incident with a resident published in June 2022.

The review cites the need to proactively use the systems available, the importance of joined-up working and the sharing of business intelligence, using data to provide insight into where there may be service shortfalls, as well as the need to use CRM to "drill down" into activity.

The landlord has informed the Ombudsman that since submitting their evidence, all teams are now using CRM and the effective use of it is monitored on a continuous basis by supervisors and managers.

The landlord is considering setting objectives for colleagues around accurate record-keeping to reinforce the message.

However, in cases brought to the Ombudsman from December 2022 to date, residents continue to raise concerns about repair records. These referrals, in conjunction with the lack of current objectives for staff and previous concerns about the use of the CRM system, indicate the landlord is yet to fully address the cause of these repair records shortfalls.

Case Study – 202113998

Ms M is the resident of an end terrace house owned and managed by the landlord, who reported mould within the property. The landlord thought the mould issue was to do with the flooring.

The following year, Ms M installed new underlay and flooring in the property but three months' later she contacted the landlord again about mould and pools of water on the floor. The landlord's repairs policy states it will respond in 10 working days but it did not respond.

After a month, Ms M contacted her local authority because she remained concerned about the mould. They wrote to the landlord on behalf of Ms M proposing actions needed to stop the mould growth. The landlord responded to the local authority on the same day explaining it would visit the property and carry out some repairs and inspections.

At the start of the following year, there was ongoing contact between Ms M, the local authority and the landlord because of appointment delays and cancellations. A contractor attended and confirmed to the landlord what work had been completed and what work remained outstanding.

There were still pools of water present in Ms M's property and the landlord sent a damp specialist to her property. The specialist found that the bathroom fans needed replacing, a ventilation system needed to be installed in the loft and further mould treatment was needed. The work had not been booked in or completed two months after this review and Ms M made a formal complaint. It was found that some of the jobs had been cancelled incorrectly on its systems and others were recorded for monitoring rather than repairs. The works were carried out over the following months and into the following year.

During this time, Ms M reports that her health deteriorated and new furniture she had purchased was riddled with mould. She was unable to enter certain rooms due to the immediate impact it would have on her body. She also reported that her baby's mattress was covered in mould on the underside.

The Ombudsman accepted the complaint and found maladministration with the handling of Ms M's reports of damp and mould. The landlord had not abided by its own timescales and policy, had not responded to correspondence from Ms M or the local authority, delayed sending contractors and specialists to inspect the work needed and closed jobs in error.

There were also delays with the landlord booking repair jobs recommended by specialists. The landlord had eventually offered £4,500 to Ms M, 14 months after it had sent its final complaint response. The large compensation payment went some way to help Ms M but it did not change the fact she had been left for a very long period of time without the correct help and assistance she required.

The Ombudsman ordered the landlord to review its record keeping practices, as the landlord had been unable to provide repair records. It also ordered that it ensure staff were trained on its policies and procedures and provide a further compensation payment of £300.

Aftercare for new builds

We found there was a lack of coordination between the aftercare team for new builds and the complaints team. Of the two cases we investigated regarding new builds, we made a determination of severe maladministration regarding complaint handling in one and maladministration in the other.

We also found maladministration in both for the landlord's handling of the reported defects, including cold, draughts and water ingress, and because of significant delay in addressing them.

Given the scale of the landlord's new build programme compared to its existing homes, is significant the Ombudsman investigated two cases about new build properties involving similar issues over a relatively short period.

These failings affected the timeliness of addressing reported defects. For example, in case 202107468 it took around 40 months for the defects to be addressed, including stopping the water coming into the property, and more than a year to respond formally to the complaint.

The landlord outlines several improvements to aftercare arrangements and quality control procedures for new homes. Defect management and aftercare now operate as a centralised team with the aim of a more consistent service and experience for residents.

The landlord has told us it has implemented measures to improve internal record keeping with weekly business intelligence reports on outstanding defects and complaints from residents. These include:

- monthly reporting of defects and complaints at senior leadership level.
- weekly complaints reporting sheet issued by the resident experience team.
- refresher complaints training for the whole team.
- reiterating the need to process all queries in line with the complaints policy at team meetings.

The landlord has procured a defects management system to ensure proactive management of defects for legacy organisations with plans for residents to be able to log on, report and track their defects and see updates from both the landlord and its developers/contractors.

Case Study – 202103784

Mrs. S moved into a new build property with her partner, young children and premature baby. Seven months later, she began to contact the landlord about defects to the doors, issues with metal pieces being found in the garden, draughts and cold rooms in the middle and upper floors including the children's bedrooms and the heating itself.

The landlord took no action for two months but contacted Mrs. S to confirm what issues were still outstanding and she confirmed they all were. Mrs. S also began to raise issues with the delays she was now facing with the landlord fixing the problems.

Seven months after first raising the issues, Mrs. S contacted this service as matters were still outstanding. Contractors had been to the property and neighbouring properties experiencing the same issues, but the issues had not been rectified and actions taken by the landlord at other properties had not been communicated to her. The following year, although some of the problems had been resolved, the issues with the garden were still outstanding with Mrs. S stating the garden was dangerous for her children to play in but the landlord had not pursued any concerns regarding this. The children in the property were still unable to sleep in their rooms due to the cold, with Mrs. S explaining that they would wake in the night due to the temperature. This was of particular concern with her baby who was suffering with ongoing health issues.

The Ombudsman found that Mrs. S had been raising the issues for almost a year, and while the landlord had carried out an inspection, there is no evidence that it sought updates from the developer. Nor did it maintain oversight over the defects reported or take responsibility as expected from a resident's landlord. Mrs. S experienced delays with repairs during the winter months.

The Ombudsman found severe maladministration in the landlord's handling of the complaint and maladministration relating to reports of cold and draughts and its handling of reports of other defects. The findings were based on the landlord's lack of empathy towards the residents, the delays they faced receiving updates which prolonged any uncertainty regarding the solutions and failing to pursue concerns of danger.

The landlord was ordered to pay £1,650 in compensation and also to take a several actions to rectify the issues affecting the property.

Communication

Underpinning and linking all of these themes is communication. There were issues with both internal communication between service areas and externally with residents.

The landlord frequently failed to internally communicate effectively and in a timely manner. The repairs, complaints and after care teams did not always share information appropriately. Where complaints were being handled informally, there was a lack of clear records, which then placed the repairs and complaints team at a disadvantage when trying to respond to the resident and address their concerns.

We were also concerned by the landlord's communication tone. It did not always demonstrate empathy to its residents, nor recognise their individual circumstances.

In case 202010750, the resident alleged she had been discriminated against by the landlord. Although we found no evidence that discrimination did occur, the landlord failed to address this part of her complaint in its initial response. Ignoring the resident's concerns only contributed to her sense of being treated unfairly.

In another case (202107468), the landlord suggested that the resident was responsible for the water coming into their property because they had pressure washed their doors, despite being no evidence to support this assertion.

Compliance

Orders and recommendations

In the 13 cases monitored, we ordered the landlord to pay more than £12,000 in compensation to residents. More significantly, we made several orders and recommendations to try to prevent the same problems happening again.

Informal complaints

We made two orders during the monitoring period which requested the landlord to review its tendency towards informal complaints handling. In one of these cases, there was a 13-month delay in progressing the matter through the complaints process because it had been treated as 'informal'. In the response to the second order, the landlord failed to identify why it tended towards informal complaints handling and we were therefore unable to be sure that suitable measures were in place to prevent inappropriate handling and could therefore not consider the order complied with.

The landlord has provided evidence for improvements and changes it has made to its complaint handling, but we remain concerned that its current service recovery process and lack of formal quality assurance procedures exposes the landlord and its residents to the risk of this issue continuing. The landlord has provided the Ombudsman with evidence of its learning log and learning strategy, but it is unclear how the landlord proposes to critically evaluate whether this strategy has effectively embedded.

Complaint handling

We made a series of orders and recommendations for the landlord to review its process to ensure compliance with the Complaint Handling Code. The landlord has complied with these. These recommended the landlord:

- review its processes for ensuring timely complaint responses.
- remind its complaints team of the importance of promptly logging complaints at stage one and processing escalation requests.
- review its complaint handling processes in line with the Complaint Handling Code.
- carry out a staff training exercise to ensure that complaints are considered at both stages of the complaint process and that staff are aware of residents' referral rights to the Ombudsman.

Compensation

We recommended that the landlord set out the detail of any failings identified in the final response so there is a clear rationale for any redress offered.

The training delivered to staff is clear that compensation payments must be proportionate, consider the length of time the matter has been ongoing for, the impact, and that all factors are taken into account. However, the training also refers to

discretion and common sense. The Ombudsman is concerned that without a formal process for monitoring how discretion and 'common sense' is applied, there may be inconsistencies in its application.

Repair records

We made two remedies for the landlord to review its repair records process. Although the order was complied with, the Ombudsman is receiving new complaints with the same issues. This would suggest that embedding the review has not been entirely successful at getting to the root cause.

We also recommended the landlord review the logging and remedying of defects in new build properties.

The Ombudsman welcomes the landlord's plans to introduce a defects management system, but given the difficulties previously encountered with database solutions and their usage, there needs to be a structured plan in place to ensure this system is used effectively.

This should include staff training and coaching, as well as comprehensive monitoring, scrutiny and quality assurance procedures.

Engagement with Catalyst Housing

The landlord has engaged with the Ombudsman during the investigation. This has included meeting with us to discuss the themes we identified and what actions they have taken, or proposed to take. The landlord has also responded promptly to all evidence requests and requests for clarification.

We welcome the landlord's recognition of the need for these improvements. However, it is essential for the landlord to have focus on the themes identified in this report as the merger completes.

This includes a focus by the governance and leadership teams on embedding change, as well as effective processes and strategies in place to ensure the problems experienced by Catalyst Housing Limited will not be repeated for residents once under the stewardship of Peabody.

Conclusions

The landlord routinely failed to recognise formal complaints and treat them as such. This caused unacceptable delay in dealing with the substantive issue(s) and subjected the resident to ongoing distress and inconvenience.

This informal approach also impaired the ability for repairs, aftercare and complaints teams to be responsive to the residents' concerns.

Where compensation was offered, the payments were inconsistent, not based on an investigation, and failed to take into account the effect on the resident and their individual circumstances.

Central to these issues is the theme of communication – both internally and with residents. The landlord had a disjointed approach to information sharing and accountability, with residents repeatedly being moved between different departments – exacerbating the issue of delay.

The landlord was too often slow to respond to the resident, or failed to respond at all. Where they did respond, it was not always tonally appropriate or addressed all of their concerns.

Ultimately, a lack of defined quality standards means the landlord is stymied in trying to monitor and assess whether it is handling complaints well and appropriately. We are particularly concerned at the lack of quality assurance given the quantity of discretion that is permitted on individual complaints.

Recent complaints referred to the Ombudsman about Catalyst Housing Limited suggest repair records and complaint handling remain an issue. It is important to note that these complaints have not yet been investigated and may not be upheld.

The fact that residents continue to feel compelled to refer these matters to us illustrates the disconnect between what the landlord feels has been effectively addressed versus the resident's expectations.

Cumulatively, these repeated failings and common points of failure in complaint handling, record keeping and communication are indicative of wider failure which must be addressed.

Recommendations

Within three months of this report, the landlord should publish and provide the Ombudsman with:

Complaints handling and communication

- A formal quality assurance procedure and policy, which has been approved by the Board. This is to include
 - a. how the discretionary element in the complaints policy and service recovery stage will be monitored in both written work and during telephone conversations to ensure it is being applied consistently, fairly, appropriately and in line with the Complaints Handling Code.
 - b. a comprehensive definition of the landlord's quality standards other than just the use of plain language.
- The process for evaluating the learning strategy, including how complaint insights will be analysed at Board level to ensure learning has embedded and is driving positive change.
- An explanation of what further measures will be introduced to ensure the delay in responding to complaints is being addressed, and what the landlord's focus on delay means in practice.

Repair records

- A further review of its record keeping processes to ascertain where the current gaps are in service delivery, particularly regarding matters recently referred to the Housing Ombudsman Service.
- Staff training needs analysis regarding CRM.
- A report on the themes and trends emerging from recent complaints regarding repair records and an assessment of why these continue to be brought to the Ombudsman. This assessment is to include what further measures the landlord has identified.
- Establish a process for exception reporting and data quality regarding CRM, which the landlord's consideration of KPIs could be included in.

Aftercare for new builds

- A staff training programme for the new defects management system.
- A published aftercare policy.

Compensation

- An amend of the compensation policy to specify whether residents have to expressly apply for compensation, or whether it will be considered within any complaint remedy offer.

- Clarification in the policy on set amounts and the ability to consider on a case-by-case basis.
- A process for checking how staff are exercising discretion and ‘common sense’ fairly and appropriately and in line with the Ombudsman’s remedies guidance.

Statement by Catalyst Housing

Aspects of Catalyst’s complaint handling, record keeping and communications prior to joining together with Peabody in April 2022 fell below the standards residents have the right to expect. We are sorry for this and are putting it right.

We have reviewed and strengthened our procedures, increasing our emphasis on the Complaints Handling Code through training and recruitment and ensuring that Catalyst’s approach is aligned with the rest of the Peabody Group.

We accept the recommendations of the report in full. Whilst the cases investigated and monitored in this report all relate to 2020/21 and predate the changes Catalyst has made, we are clear about the need to continuously improve our services. A new panel, composed entirely of residents and chaired by a Board member, will make sure that the recommendations are properly implemented.

We want to be sure that all areas of our complaints handling service are working well, so are carrying out a top to bottom group wide comprehensive review led by our Chief Operating Officer. Along with a systematic audit approach to learning lessons from complaints, this will identify further improvements and provide quality assurance throughout our complaints service.

A Leadership panel is also in place, interrogating complaints handling to ensure vital signs are spotted, acted on and escalated. Regional Managing Directors are tasked with ensuring that learning from complaints is rigorously applied in the service. We’re also focussing on professional standards, certification and accreditation as well as embedding the right values and behaviours in all our teams.

Housing
Ombudsman Service

Exchange Tower, Harbour Exchange Square, London E14 9GE

t: 0300 111 3000

www.housing-ombudsman.org.uk

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