

Income, Arrears & Debtors Policy

November 2022

We will provide this policy on request at no cost, in large print, in Braille, on tape or in another non-written format.

We can produce information on request in large print, Braille and audio formats. It is also available in other languages. Call us on 0800 952 9292 or email talk@lorettoha.co.uk.

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1. Introduction

Loretto Housing is part of Wheatley Group, Scotland's leading housing, care and property-management group. This policy sets out our approach to managing the collection of rent and other charges which are payable to us (our income), as well as our approach to arrears and debt.

This policy makes clear the support we will provide around income maximisation, and the role of staff in supporting our customers.

We are committed to supporting our customers from the earliest opportunity, and in doing so seek to ensure there is a culture of positive payment throughout the duration of the contractual agreement. Where a customer finds themselves unable to pay rent or charges due, we will endeavour to ensure they have access to appropriate personalised services at a time and place that suits them to help them move back into a positive payment status as quickly as possible.

Loretto Housing complies with all applicable legislation and follows good practice principles in managing income and any associated debts.

- We provide services to our customers that are in line with the Social Housing Charter and our supporting strategies
- We will make sure our customers are treated at all times with respect and dignity
- We will work with our customers to understand their needs and take particular account of any vulnerability that they may have. For instance, this may include changes to the welfare system which affect them, disabilities or support requirements
- Our staff will provide advice, information and support and where it is in the best interests of the customer, refer people to other agencies that can provide additional support

2. Policy Aims and Objectives

Rent payments and service charges are our main source of income. Managing collection of these payments and charges is crucial to us and our customers. If we do not receive rent and charges that are owed to us, then it could impact our ability to provide services to our customers.

The aims of this policy are to:

- Demonstrate how we will secure income
- Ensure customers are clear about their responsibility to pay rent and other charges from the beginning of their relationship with us to prevent debts accruing
- Promote a positive payment culture that supports customers to pay their rent and charges in full and on time in line with their agreement

- Work with customers who find themselves in arrears to repay these debts as quickly as possible, using a tailored and personalised approach
- Ensure that our approach to preventing debt and collecting arrears is carried out legally and fairly
- Assist and support customers to maximise their income
- Help customers to build financial resilience, encourage good money management and provide support for those who need it

3. Key Principles

This policy is based on our Group-wide framework and is adapted to suit our unique customer base and circumstances.

At the heart of how we collect income and debts is the customer experience. The following key principles underpin this policy:

- Prevention
- Personalised support
- Positive payment culture
- Building financial resilience
- Harnessing technology
- Consistency of approach
- Customers in control
- Staff thinking differently to find solutions
- Easy access to good advisory services

4. Starting the Customer Relationship

Our customers will be clear on what they have to pay, when they have to pay, how they will be charged and available payment methods.

We want customers to understand the importance of starting their tenancy positively and continuing in this manner during their relationship with us. We will make sure customers know they have a responsibility to pay their rent and charges to us, in full and on time as per the terms of their agreement. We will clearly set out our expectations around payment of charges or rent in advance and from day one of their tenancy, using our preferred method of Direct Debit where possible.

We will clearly explain any obligations and responsibilities and specifically:

- The relevant terms and conditions of the tenancy agreement
- The total cost of any rent or charges
- When rent or charges should be paid
- Any expected deposits or charges that have to be paid
- That Direct Debit is our preferred payment method; and

- The alternative methods of payment available if they are unable to set up a Direct Debit

Where we confirm with the customer that there is a charge to be paid from the outset and/or in advance, we will work with the customer to ensure this charge is paid. However, we will consider the individual circumstances of the customer and negotiate each case individually where required.

If we decide that a charge must be increased, we will give appropriate written notice of the change

Our customers will be clear on what services are provided for the charge they pay. We aim to always provide Value for Money.

We will confirm with the customer any services that will be provided under the agreement; how these services will be delivered and the charges that will apply.

Our customers will be made aware of the consequences of not keeping to their agreement to pay the charge due.

All customers will be informed about the consequences of non-payment. Where a customer falls into debt we will make sure they are aware of all the support that is available to them, both internally from us and Wheatley Group, and externally to help them manage their account to clear any monies owed and prevent further debt accruing.

We will follow all appropriate Pre-Action Requirements as outlined in relevant legislation, working with customers who are experiencing financial difficulties to access support and assistance.

We want our customers and our business to be financially resilient, able to withstand any challenges that come up in terms of rent, service charges and income collection/payment and beyond.

Our customers will be given access to advice and information to help them ensure they can afford the services we offer.

Staff will refer and signpost any customer for appropriate support and advice where there may be a concern about vulnerability or ability to pay. We will encourage customers who may experience difficulties to contact us at the earliest opportunity, so that we can help to prevent debts from accruing, increasing or becoming difficult to manage.

We will support our customers throughout their journey with us.

Our customers will have access to a variety of wraparound support services, working with our partners to create opportunities for our customers that will include help to:

- Maximise their income through our welfare benefits service;

- Minimise issues of fuel insecurity, fuel poverty and energy efficiency through our fuel advice services;
- Access employment and training opportunities through our employability services; and
- Receive the best possible support, advice and information where required from our own teams and through work with partner agencies

5. Building on the Relationship

We are committed to building and sustaining positive relationships with all our customers.

We aim to do this by:

- Staying in touch regularly with all of our customers
- Making sure we have accurate profile information about our customers
- Working to understand each customer and their needs
- Helping our customers through any changes in their circumstances
- Engaging with our customers, taking account of their views and lived experiences to help shape and co-create our service

Our discussions will capture essential customer data, to help us to provide the most appropriate services, options and support where required. This data will be used to help us develop tailored approaches and any subsequent collection, prevention, management and recovery of debts and charges. We will comply with the UK General Data Protection Regulations (UK GDPR) and Data Protection Act 2018.

6. Our approach to Debt Recovery

Our staff focus on delivering outstanding customer service to each individual customer. They are empowered to make decisions on a case by case basis, for example, where a significant life event has taken place which has impacted on the customer's ability to pay.

There will be occasions when a customer either cannot or will not maintain payments to their account. If that happens, we will:

- Aim to make contact at the earliest opportunity after the payment due date to establish the reason for non-payment and to avoid the debt becoming unmanageable
- Discuss payment of the debt in full and/or agree an appropriate and affordable repayment arrangement
- Provide/signpost customers to support services tailored to suit individual requirements e.g. money advice, fuel advice, employability support, where required, in order to help them meet the charges they are due to pay

- Making clear the consequences of non-payment and providing advice at all stages to customers
- Meeting our legal obligations to provide appropriate advice and guidance as part of our Pre-Action Requirements
- Make any decision on a case by case basis, informed by our knowledge of our customer's circumstances
- Enforce sanctions where appropriate – this includes but is not restricted to: withdrawal or limitation of service, court action, interest charges or deduction of payments from compensation

Where collection from a customer is required, we aim to:

- Make sure every officer has a clear set of procedures to follow when dealing with the collection and recovery of monies
- Contact customers quickly where a debt occurs
- Apply all payments timeously to relevant accounts (within 48 hours unless technical difficulties arise)
- Adhere to any time limits set in recovery procedures

Where a customer accrues a debt, we will aim to:

- Engage with the customer to help them identify any debt and payment issues early
- Agree an appropriate and affordable repayment arrangement which takes account of the customer's personal circumstances where payment in full cannot be made
- Negotiate arrangements for a single payment to cover all indebtedness to Wheatley Group where a customer may owe multiple debts. Examples may include but are not restricted to: current charges, former account charges, sundry debts, court costs, repair charges.
- Confirm any arrangement in writing
- Honour any reasonable agreement made to discharge a debt before escalating any recovery action
- Use any credit in an account within the Group, to offset any debt owed to the Group

If a customer fails to engage with us or no agreement is reached, we will escalate action as necessary to recover the outstanding sum owed.

We have a Debt Recovery Team, who will attempt to contact customers referred to them and who assist officers in the collection or pursual of any debts owed.

We may use various methods to attempt collection of a debt. This may include (but is not limited to):

- Court Action
- Wage Arrestment
- Levying of charges or inhibitions
- Enforcing decree for eviction and payment

7. Ending the Relationship

When either party gives notice to end the agreement, we aim to:

- Conduct an exit interview and/or inspection of the property (where appropriate)
- Conduct a full debt check and if a debt is identified, agree a final payment plan
- Provide any documentation where appropriate
- Provide references upon request
- Refund credits (after deductions for any Group debts)
- Notify third parties for the return of deposit balances subject to any claims that we may have

In circumstances where there is current court action and where we have contact information, we will endeavour to remain in close contact with the customer until proceedings have concluded. We will review the case throughout the duration and may alter our planned actions in agreement with the customer.

We will consider all options available to us for managing and recovering the debt, up to and including eviction and inhibitions.

Each case will be managed individually, taking into account the circumstances of the case and the reason for ending the agreement.

Where a customer leaves a debt at the end of their agreement, we will issue a final bill and continue to pursue this debt using various contact methods, including passing the case to our Debt Recovery Team.

We may use the services of third-party tracing agents:

- Where there are outstanding debts, and an address is not known for the customer
- Where full payment has not been made
- Where no arrangement has been made

Customers with outstanding debts will be made aware of the consequences for any future contract with us and Wheatley Group, should they fail to make or keep to a repayment plan. This could include future requests for services being refused or restricted by us, Wheatley Group and/or its subsidiaries.

8. Writing Off Debt

A debt may be considered for write off where it has been deemed to be irrecoverable. Defined criteria have been set out to assist officers in deciding whether a debt is deemed recoverable or not. Cases will be assessed on an individual basis and debts/arrears may be written off where all options for recovery have been exhausted.

If a debt is to be written off, this will take the form of an adjustment to the associated account at the end of the relevant balancing period.

Where a debt has been written off this will not prevent future pursuit, for example, where a customer wishes to rent another property and has an outstanding debt for a former tenancy.

9. General Matters

We reserve the right to apply charges for additional costs associated with the management of the agreement. For example, this may include storage costs or court costs.

10. Legal Framework

This policy has been developed taking into account the various legislation and regulations governing us, for example,

- Debt Arrangement (Scotland) Act 2002
- The Housing (Scotland) Act 2001 and
- The Social Housing Charter

11. Performance Monitoring

Regular monitoring of key indicators, for example, satisfaction levels, income collected, and arrears accrued or debt written off will take place through a variety of means. Regular reports, statistics and trend analysis will be made available to the Loretto Housing Board.

12. Policy Reviews

We will review this policy every 3 years. More regular reviews will be considered where, for example, there is a need to respond to new legislation/policy guidance.

13. Links With Other Policies

This policy links with our Housing Information, Advice and Letting policy, and our Equality and Diversity policy.

14. Confidentiality

We are committed to protecting the privacy of our customers. We process personal information in accordance with the requirements of the UK GDPR, the Data Protection Act 2018, our privacy notices and the Wheatley Group Data Protection Policy.

You can find more information about how we look after personal information by reading our privacy notices at www.lorettoha.co.uk