

Policy title:	Rent Payment and Arrears Recovery Policy		
Scope:	Aspire Housing		
Policy owner & job title:	Paul Malkin, Income Collection and Generation Manager		
Approver:	Exec		
Date:	March 2018	Review Due Date:	July 21 Currently under review

POLICY SUMMARY

- It is the customers' responsibility to pay their rent on time in accordance with their tenancy agreement. The aim of this policy is to minimise the number of customers in arrears and maximise the income into the business through a proactive and robust recovery service.
- We recognise that our customers may be vulnerable or experiencing financial hardship. We will have support services available to assist these customers to sustain their tenancy.
- To minimise the impact of Welfare Reform we will communicate the impact with affected customers to enable them to make decisions regarding their housing options and not falling behind with their rent.
- We will offer a flexible approach to ensure the most vulnerable and those with financial risks have access to our housing and are supported to sustain their tenancy.

Associated Policies, Procedures and Strategies:

Tenancy Policy
 Financial Inclusion Strategy
 Corporate Debt Protocol
 Money Advice Policy and procedure
 Rent arrears recovery procedure
 Shared owners arrears recovery procedure
 Commercial leaseholders arrears recovery procedure
 Residential leaseholders arrears recovery procedure
 Recharges recovery procedure
 Eviction procedure

1. POLICY STATEMENT

Arrears prevention

All new customers will have a thorough assessment completed to identify vulnerability, give advice on maximising income and ensure the tenancy is sustainable. Credit reports will be used in cases where clarity about the customers' financial position is required. Advice and support will be provided to help customers manage their money and hold a successful tenancy. In some cases, identified through a risk assessment, engagement with support services through the starter tenancy period will be compulsory as set out in the Tenancy Policy.

To prevent arrears accruing, all new customers will be expected to pay one month's rent in advance and in addition the rent due until their next payment, if not paying weekly, when signing the tenancy agreement. This one month credit will remain on the account until the tenancy ends. Aspire accepts that in some situations new customers will not be able to manage this payment at the sign up stage. In special circumstances we will review the requirement of one month's rent in advance. It is vital that customers have a financial cushion to assist management of rent payments. In these circumstances, we will work with the customer to increase their financial intelligence and build up a rent credit on their account over the first 12 months of their tenancy.

Customers making new claims under Universal Credit are entitled to request a one month housing cost payment to be made immediately. Aspire will educate customers to ensure that this request is made in these circumstance. Any rent overpayments made at a later stage will be refunded as appropriate, It is expected that all new tenants will pay their rent by Direct Debit or recurring debit card payment. Where this method is considered not to be appropriate then a wide range of accessible options will be available to pay rent and other charges. For garages, shared owners and commercial rents, Direct Debit is compulsory.

Where appropriate, swipe cards will be provided for payments to be made at Post Offices and Paypoint outlets, should replacement cards be required the cost of providing this will be recharged to the customer.

To assist customers to manage their rent accounts Aspire Housing will ensure that 24/7 online access is available and payments will be posted to rent accounts within one working day of being paid.

Where customers have more than one debt with us, repayments will be prioritised as set out in the Corporate Debt Protocol, attached at Appendix 1. We will use flexibility in allocating payments and transferring credits to accounts with an outstanding balance to clear all debts whilst taking consideration to not put a customer's home at risk. Where customers have risks of county court judgements, we shall actively support them to increase their financial skills and manage any credit on their rent account wisely.

We will clearly communicate the impacts of welfare reform to customers and potential customers that we identify as being affected, to enable them to make informed decisions regarding their housing options and payment of their rent.

We will provide a free and confidential Money Advice service to assist customers in financial hardship. We will ensure that this service complies with the regulatory requirements and holds any required licences. The full Money Advice policy is attached at Appendix 2.

We will have in place a Financial Inclusion Strategy to enable customers to access financial services, reasonable cost products and to save money and have up to date information available on the Aspire Housing website.

Improvements or non-essential repairs to customers' properties will only be carried out if their rent account is clear or a repayment arrangement has been kept for 3 months or more, except where there are serious health and safety issues in relation to the condition of the property.

Customers will not be eligible for a transfer or mutual exchange if their account has been in arrears in the 3 months prior to applying and through the exchange process. Customers impacted by welfare reforms may be allowed to move dependant on a manager's decision that will be based on affordability and a proven commitment to clear the debt.

Arrears recovery

Arrears will be recovered through a proactive, customer focussed approach based on high levels of contact to ascertain the cause of the arrears and agree solutions based on affordability.

Legal enforcement action will be taken in line with the most recent court guidance and protocols. Aspire at all stages of the recovery process will continue to engage with the customer to enable them to sustain their tenancy. Legal enforcement is seen as the last resort, and at every opportunity customers will be supported to manage their arrears in a sustainable way

Where a tenant or joint tenant has been made bankrupt we will act in accordance with the appropriate Insolvency Acts and guidance, with the aim to recover the debt where possible.

Where customers fail to engage to clear their debt, enforcement action will continue which will result in them losing their home. Once the decision has been made to proceed with the eviction process, we will advise the Local Authority with the statutory duty for homelessness, to allow them to engage with the customer.

Should an eviction take place and belongings remain in the property we will serve the relevant notices and attempt to contact the customer, giving them reasonable time to remove these goods. In cases where the goods are not collected within this time we will make arrangements to dispose of them and the customer will be recharged any costs accrued.

Former tenant arrears

When customers give notice to end their tenancy we will make contact to advise of the actions and payments that are required for the tenancy to end debt free.

Aspire Housing will pursue former tenant debts persistently making use of all available resources including tracing facilities, Debt Collection Agencies and County Courts.

The cost of recovery will be considered when pursuing a debt to ensure value for money.

Where all avenues to recover the debt have been exhausted these balances will be written off, they will however be reinstated should the debt become recoverable again in the future.

Former tenants owing a debt to Aspire Housing will not be considered for a new tenancy until the outstanding debt is cleared in full. Consideration will be given to homeless prevention initiatives provided by Local Authorities on a case by case basis.

Rent refunds

Rent refunds will only be made into a bank account where the rent account is more than one month in credit. It is not cost effective to process refunds for less than £20.

When the tenancy has ended a refund of the total credit value will be made.

Equality & Diversity:

This policy has been considered against our Equality and Diversity Policy and no additional provisions are required.

2. RESPONSIBILITIES OF EMPLOYEE

To comply with the policy, attend training and seek advice where necessary.

To check the rent account and discuss arrears at every contact with customers.

3. RESPONSIBILITY OF ASPIRE

To monitor the impact of this policy in regard to continuous improvement and ensuring it meets the aims of maximising income whilst sustaining tenancies.

We will have procedures and processes in place and provide training to ensure the successful implementation of this policy.

To develop a Financial Inclusion Strategy to support customers experiencing hardship.

Have a range of support services to assist customers with money advice, independent living and access to training and employment.

Appendix 1 – Corporate Debt Protocol

Aspire Housing charge for a number of services and many of these are charged on separate accounts. If a customer falls into arrears on more than one account, difficulties can arise in the collection of arrears with conflicting priorities.

This corporate debt protocol outlines the priority in which debts should be collected to provide clarity when recovering arrears and making repayment arrangements.

Aspire Housings approach is to sustain tenancies and to prevent homelessness, therefore debts that are included in the tenancy agreement, where possessions proceedings can be taken, will be the priority and any payments made to these first.

Arrangements will be made taking into account the on-going charges and the customers' ability to pay whilst also looking to recover the debts in a timely manner.

Arrangement amounts will cover the following accounts in this order, until each account is clear:

- Rent account (including rent, service charge, heating charge, furniture, etc)
- Garage account charge
- Court costs
- Recharges
- Former tenant arrears
- Former court costs
- Former recharges

Garage accounts are considered not to be an essential expenditure, therefore arrears will not be tolerated and arrears will need to be cleared in full.

We will use flexibility in allocating payments and transferring credits to accounts with an outstanding balance to clear all debts whilst taking consideration to not put a customer's home at risk.

Appendix 2 - Money Advice Policy

Purpose & Scope

The aim of this document is to ensure Good Practice within the Money Advice Team and to ensure that all customers receive an effective, efficient and consistent service from all advisors.

We will:

Be licensed by the FCA under the appropriate category to provide debt advice unless exempt.

Have professional indemnity and public liability insurance or other appropriate arrangements in place.

Provide the service free of charge to the customer at the point of delivery. Customers will not be charged for any part of the advice or service.

Customers access the service either by referral, face to face, or on a local call number and are offered a call back if required.

Process all data held in line with Aspire Housing's Data Protection and Freedom of Information legislation as appropriate (available on request).

Comply with all of Aspire Housing's Health & Safety, Equal Opportunities and Human Rights legislation (available on request).

Adhere to Aspire Housing's equality and diversity policy (available on request) to ensure, except where a service exists specifically to meet the needs of a particular community, the adviser will not discriminate between customers on the grounds of sex, marriage, race, colour, nationality, ethnic or national origin, disability, age, sexual orientation or religion.

Ensure the remit, boundaries and limitations of the service are explained to the customer by an appropriate method.

Ensure that a written complaints procedure is in place and all customers are made aware of the process. A copy of the FOS (Financial Ombudsman Service) leaflet "Your Complaint and the Ombudsman" needs to be included with every response to a complaint about debt advice or credit information services.

Provide non-judgmental, non-biased, independent, impartial, confidential advice and take up social policy issues with authorities or organisations on behalf of individuals or groups as appropriate.

Comply with and hold a licence for the Money Advice Trust's Common Financial Statement. Comply with and hold a licence for the Money Advice Service's Standard Financial Statement (SFS).

Adherence and Disciplinary Matters:

We are committed to providing an effective and efficient service and as such we recognise that disciplinary rules and procedures are necessary.

The Disciplinary Policy aims to resolve any minor problems through informal advice, coaching and counselling, however, failure to meet the required standards of conduct or performance may lead to the instigation of the disciplinary procedure.

Full details can be found within Aspire Housing's Disciplinary Policy and Procedures (available on request).

The adviser will:

Provide bespoke advice to customers about the full range of options for resolving their debt problems according to their individual circumstances, offer them Benefits advice including income maximisation where appropriate; explain the consequences of each option to enable customers to make well informed choices and ensure that all advice given is in the best interest of the individual customer whether they are an Aspire Housing tenant or not.

In the case of an Aspire Housing tenant having a debt with the company, the customer will be given the option of continuing support with the money advice team or seeking alternative advice from an independent organisation.

The adviser will confirm the above advice in writing to the customer, and when required in an alternative format, in line with Aspire's Equality and Diversity policy.

Provide impartial advice and not seek to favour any particular creditor, or organisations; except insofar as different methods of enforcement, laid down by statute for different types of debt will be reflected in the priorities and repayments negotiated by advisers and/or their customers.

Explain clearly the potential consequences of non-payment of any particular debt.

Be non-judgmental, and give advice and assistance regardless of how debts have arisen.

Not knowingly aid or abet the continuance of fraudulent activity by a customer, taking account of current legislation and any protocol produced by Aspire Housing in this regard.

Ensure that priorities in dealing with debts are those of the informed choice of the customer, not those of the adviser.

Reserve the right to withdraw their case-work service from any customer who wishes to pursue courses of action which could be detrimental to the credibility of Aspire Housing and advise the customer of the consequences of such courses of action.

Attempt to empower the customer to take control of her/his own financial affairs, including financial capability and avoid unnecessary dependency upon the adviser and/or Aspire Housing.

Regularly update the customer and her/his creditors of any significant developments in the case, if offering case-work service, and record details of customer enquiries and case developments in accordance with Aspire Housing recording system.

Develop and agree with the customer a course of action, where appropriate, which clearly specifies the methods, time scales and responsibilities for delivering the customer's chosen course of action whether by the customer or the advisor and record this clearly in the customer's case notes.

Carry out all agreed actions in line with Aspire Housing's delivery standards.

Refer/signpost the customer to an appropriate agency, where issues fall beyond the boundaries of the Aspire Housing service, with the permission of the customer.

Transfer/copy papers relating to the case only with the customer's written consent, when they choose to use another service or have been referred on to a more appropriate service.

Inform the customer, where applicable that her/his case has been closed e.g. as part of a case-work service but that s/he can seek further advice and/or assistance from Aspire Housing or another appropriate agency as necessary.

Advise of the level of advocacy and support available and offer representation before appropriate bodies, e.g. the County Court where resources are sufficient to allow this.

Ensure that all correspondence is written in plain language taking account of the need to comply with any legal formalities.

Ensure that they keep up to date with changes in relevant legislation, practice and policies which may affect their work.

Provide the appropriate level of support to enable the customer to report examples of unfair or illegal practices to Trade Associations, the Department of Trade and

Industry, local Trading Standards Departments, the Financial Ombudsman or other Regulators where appropriate.

Identify the vulnerability of customers in all cases (i.e. make creditors aware of this vulnerability with the customer's consent, in line with the Good Practice Guideline for helping customers with mental health issues and debt - MALG/2015.

When discussing customer credit files and official registers contents (such as those provided by Experian or other credit information agencies and insolvency registers etc) not claim to be able to remove any negative but accurate information, mislead a customer as to the length of time that information is held or claim that a new credit file can be created (such as by a customer changing address).