

<b>Policy title:</b>	Rent Payment and Arrears Recovery Policy		
<b>Scope:</b>	Aspire Housing		
<b>Policy owner &amp; job title:</b>	Justine Addison, Income Manager		
<b>Approver:</b>	Andrei Szatkowski, Executive Director of Customer Experience		
<b>Date:</b>	01/11/2021	<b>Review Due Date:</b>	01/11/2024

## POLICY SUMMARY

- We will offer a variety of payment methods to our customers ensuring that it is easy to pay and that these payments are allocated to rent accounts in a timely manner. The preferred methods of payment are by direct debit or online and these will be regularly promoted.
- It is the customers' responsibility to pay their rent on time in accordance with their tenancy agreement. The aim of this policy is to set out how Aspire Housing minimise the number of customers in arrears and maximise the income into the business through a proactive, robust, and supportive 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 Government changes to the welfare system we will communicate the impact with affected customers to enable them to make decisions regarding their housing options and affordability of their tenancy.
- 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.

## 1. POLICY STATEMENT

### Rent Payments

It is expected that all new tenants will pay their rent by Direct Debit or online through their self-serve account. 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. These options include payment by standing order, recurring card payment, phone call to our contact centre and payments through Allpay which includes payment at Post Office and Paypoint, online, via the app and through an automated phone line.

For garages, shared owners and commercial rents, Direct Debit is compulsory.

If payments are being made by Swipe card and a replacement card is required, the cost of providing this may be recharged to the customer.

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

### **Tenancy sustainment**

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. Where risk of tenancy failure is identified a package of support will be put into place to maximise the sustainment of the tenancy.

To prevent arrears accruing, all new customers will be expected to pay 4 week's rent at sign up. All customers will maintain at least one weeks credit on their rent account until the tenancy is ended

Aspire accepts that in some situations new customers will not be able to manage this payment at the sign-up stage. In these circumstances we will review the requirement of one month's rent in advance and arrange with the customer to pay at least one week's rent, in instalments if necessary.

Customers making new claims under Universal Credit are entitled to request a one-month housing cost payment to be made immediately. Aspire will advise customers to ensure that this request is made when required.

Any rent overpayments made at a later stage will be refunded as appropriate.

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 Government changes to the welfare system 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.

We will support customers in terms of Financial Inclusion to enable them 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.

Aspire Housing have signed up to the National Housing Federation (NHF) no eviction pledge:

**1. Keeping people secure at home**

No one will be evicted from an Aspire Housing home as a result of financial hardship, where they are working (or engaging) with us to get their payments back on track.

**2. Helping people to get the support they need**

We are helping residents to access benefits and other support to alleviate financial hardship, including supporting people to get work where possible.

**3. Acting compassionately and quickly where people are struggling**

We will work with any resident who is struggling to find arrangements to pay rent that is manageable for them in the long term. Legal action will only be taken in serious circumstances – for example as a last resort where a resident will not agree a plan with us to help them pay their rent, or where it is needed urgently in cases of domestic abuse or of antisocial behaviour that is putting other residents or communities at risk.

We have also signed up to the NHF commitment to refer and will refer anyone to the local authority if they are homeless or threatened with homelessness.

### **Arrear's recovery**

To ensure that we speak to customers in a timely manner regarding their rent account, we will use analytical software to identify priority cases.

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 may result in them losing their home. In any cases where an eviction warrant is being considered, approval for the application will be given by the Tenancy Sustainment Panel, who will ensure all avenues to resolve the issues have been explored. 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, in line with our Commitment to Refer through the National Housing Federation.

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, County Courts and Small Claims Court including obtaining Attachment of Earnings order and Warrant of control applications to remove goods.

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**

We encourage all our customers to retain at least one week's credit on their rent account to cover any changes in Benefits, payment dates or to prevent arrears at the end of their Tenancy.

Rent refunds will only be made into a bank account where the rent account is more than one week 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, once any eligible charges and/or Benefit payments are finalised.

### **Equality & Diversity:**

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

All arrears' cases will be managed on a case-by-case basis and consideration will be given to the customers' requirements and provisions put into place to ensure that all customers are able to access the service. Where vulnerabilities are identified the arrears team will work collaboratively with internal support teams and any external agencies.

### **3. 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.

#### 4. RESPONSIBILITY OF ASPIRE

To monitor the impact of this policy regarding 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.

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

This policy will be reviewed in line with its normal schedule of reviewing policies.

#### **Appendix 1 – Corporate Debt Protocol**

Aspire Housing charge for several services and some 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 considering 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.