# Former Tenant Arrears Policy

## Scope of Policy

This policy sets out Platform Housing Group's (the Group) approach to the management and collection of former tenant arrears and other former tenant debts and may also be used in accordance with the relevant lease held by a leaseholder.

## Applicability

The policy applies to all members of the Group.

## 1. Policy Statement

1.1 We aim to minimise the amount of former tenant rent and service charge arrears, as well as any other former tenant debt e.g., recharges and court costs.

1.2 We will apply this policy consistently and fairly and will ensure that at all times we act in a reasonable manner at all times, and that our actions represent a necessary and proportionate response.

1.3 We will ensure that our approach represents current good practice and meets all legal and regulatory requirements. We will monitor our performance to ensure that this continues to be the case.

1.4 There is no specific guidance issued by the Regulator of Social Housing in relation to former tenant arrears. However, this policy reflects the expectations outlined by the Regulator of Social Housing, regulatory standards, procedures and guidance.

## 2. Our Approach to Former Tenant Arrears Management

2.1 To ensure effective management of former tenant debt, we will:

- Comply with all relevant regulatory guidance and the law.
- Have a consistent approach to former tenant debt and the collection and management of repayment.
- Have a clear and detailed process/procedure.
- Work with customers to prevent former tenant debt developing.
- Promote the use of direct debit as the primary method of payment. We will offer alternative ways to pay if customers are unable to pay by direct debit.
- Will use legal remedies where needed, where it is necessary, and proportionate to do so. We may seek legal action in the recovery of former tenant debt where other methods have failed to ensure payment.
- Minimise the amount of debt written off.

2.2 The Former Tenant Arrears procedure outlines the action we will take to recover outstanding debts. We will ensure that our people are provided with the necessary training to deliver these, so that they are able to offer appropriate levels of support to customers who fall into arrears.

## 3. Aims and Objectives

3.1 **Prevention and Recovery of Former Tenant Arrears**

- We will ensure that all relevant action is taken on the account whilst it is a current tenancy to prevent former tenant debt accruing.
- When we are made aware the tenancy is due to end, further action will be taken to try and prevent any former tenant arrears remaining on the account.
- We will make contact with former tenants who previously held a tenancy with us who have arrears/debt (court costs, recharges) remaining on their account.
- We will make best use of automated technology to ensure contact is made promptly.
- We will offer and make affordable agreements to repay any arrears owing at the earliest opportunity.
- Consideration will be given to any extenuating circumstances (e.g., severe hardship) that affect a former tenant's ability to pay.
- We will work closely with advice agencies, such as Citizens Advice Bureau, and will signpost former tenants to relevant agencies for benefits and debt advice when they are experiencing financial difficulty and are struggling to make payments.
- On occasion, we may consider a reduction in the debt if an amount is offered for clearance of the debt, dependent on the circumstances e.g., age of the debt, arrears stage. Any offer would need to be discussed with an Income Locality Manager and signed off by a Head of Income.

3.1.1 The **Rechargeable Repairs Policy and Procedure** should also be referred to at this stage, to ensure any outstanding, current or former tenant recharges are also considered and discussed at this point.

3.2 **Deceased Tenants**

3.2.1 Where a former tenant has died and has outstanding debts, we will contact the next of kin and/or the executor of the estate to ask for payment of the debt.

3.2.2 If we are unable to identify the next of kin, executor of the estate and/or receive confirmation that there are no funds available within the estate to pay the debt, we will submit the debt for write off approval.

3.3 **Former Tenant account where the customer holds a current Platform Tenancy**

3.3.1 Where a customer has moved from one Platform property to another, on occasion there will be a debt owing on the former tenancy. This might be where the move has been approved through the Management Move process/delay in ending their former tenancy/rechargeable repairs.

3.3.2 In these cases, the customer must always prioritise the rent on their current property and an affordable agreement put in place.

3.4 **External Debt Collection**

3.4.1 If there has been no response or payments by the former tenant to clear the debt, further action will be considered. Dependent upon the level of debt, trace services may be appointed to try and identify a new contact address. If this is unsuccessful, referral to an external debt collection agency for further action may be considered.

3.4.2 The former tenant arrears officer must ensure that the following processes have been exhausted prior to referral of the case to an Income Locality Manager:

- Internal recovery process and all contact options have been exhausted to pursue the former debt.
- Where arrears have accrued due to housing benefit, all efforts have been made to recover payment through liaison with the benefits department at the local authority.

3.5 **Writing Off Arrears/Debt**

3.5.1 We understand there will be occasions when former tenant arrears will need to be considered for write off and will do so in the following circumstances:

- Debts which we have been unable to recover and the former tenant procedure has been exhausted.
- Debts where tracing has been unsuccessful.
- The debt is now statute barred.
- The tenant is deceased and there is no estate.
- Cases of bankruptcy or debt relief orders where the arrears form part of these orders.

3.5.2 A monthly report will be signed off, in line with financial regulations, for these to be written off.

3.5.3 If the customer returns to the Group for potential housing in the future, in certain circumstances the debt can be written back on for the former tenant to pay.

3.6 **Re-housing with Former Tenant Debt**

3.6.1 If a request to re-house a former tenant is received and they have a former tenant debt with us, the debt should be paid in full prior to an offer of accommodation being made.

3.6.2 If there are extenuating circumstances involved with the case or how the arrears were accrued (e.g., a duty has been accepted by the Local Authority under the provisions of the homelessness legislation), then each case will be considered individually on a case-by-case basis. Any agreement will be considered in line with our Lettings Policy and Procedure and must be signed off by a Head of Department for both Income and Lettings.

## 4. Equality and Diversity

4.1 We are committed to fairness and equality for all regardless of their colour, race, ethnicity, nationality, gender, sexual orientation, marital status, disability, age, religion or belief, family circumstances or offending history, as referred to in our relevant Group policies. Our aim is to ensure that our policies and procedures do not create an unfair disadvantage for anyone, either directly or indirectly.

4.2 An equality impact assessment has been undertaken which identified no negative impact on any group of people as a result of implementation of this policy. We will monitor action taken to tackle former tenant arrears to ensure that there is no adverse impact as a result of the implementation of this policy.

## 5. Complaints

5.1 We aim to meet the needs of our various customers by providing an excellent service. However, it is acknowledged that occasionally things go wrong and customers may wish to complain. Should the need arise to make a complaint, please refer to our Complaints, Comments and Compliments Policy.

## 6. Monitoring and Review

6.1 Performance will be regularly monitored and targets will be set and reviewed annually in relation to benchmarking performance data.

6.2 This policy will be reviewed every three years or on the introduction of new legislation or best practice guidance, whichever is the sooner.

6.3 Approved documents are valid for use after their approval date and remain in force beyond any expiry of their review date until a new version is available.

## 7. Associated Documents

7.1 List of documents – associated policies, procedures and publications:

- Former Tenant Arrears procedure
- Rent Arrears Policy
- Rechargeable Repairs Policy
- Rechargeable Repairs Procedure
- Lettings Policy
- Regulator of Social Housing, regulatory standards, procedures and guidance

- Complaints, Comments and Compliments Policy
- Data Protection Policy
- Homelessness Reduction Act 2017
- Equality Act 2010
- Human Rights Act 1998

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