

making
connections



ARREARS MANAGEMENT POLICY SUMMARY



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INTRODUCTION

Preventing and managing factoring arrears is crucial to maximise the resources available to Partick Works Limited (PWL) for improving our services. It is therefore vital that customers are aware of their personal obligations to maintain their factoring account and the consequences if they fail to do so. This policy outlines how PWL will prevent, manage and recover factoring arrears of current and former owners. (The term 'factoring arrears' applies to all owners' charges including insurance, factoring fee, environmental services and repairs.)

WHAT ARE THE MAIN OBJECTIVES OF THIS POLICY?

The key to successful arrears control is to provide a supportive service which ensures effective prevention, management and recovery practices. PWL's key objectives are therefore:

- To prevent and effectively manage arrears.
- To ensure appropriate legal action is taken against those who fail to pay factoring charges.

Prevention and Management

We Will:

- Ensure effective arrears management begins on day one.
- Ensure new owners are aware of their responsibility to pay their factoring charges and maintain a clear factoring account.
- Provide appropriate support, seeking to become aware of owners' circumstances through personal contact, emails, letters or telephone contact.
- Ensure effective communication between PWL, current and potential customers, internal staff, support providers and partners.
- Promote a positive payment culture by offering a variety of payment methods.
- Continuously monitor all factoring accounts and respond promptly to missed payments.
- Make appropriate and realistic repayment arrangements with owners in arrears and ensure these arrangements are monitored and escalated where necessary.
- Review direct debit and standing order payments on a 6 monthly basis to ensure these are set to an appropriate level to cover factoring charges.
- Ensure that any notification of PWL's intention to raise legal proceedings is raised in line with legislative requirements.

Recovery of Arrears

Where an owner fails to pay their factoring charges or co-operate with arrangements to reduce their arrear, we will take recovery action. We will follow legal guidance and make sure an owner is aware that:

- If their factoring invoice is not paid following two reminder letters, a late payment fee will be added to their account.
- Owners who default on an arrangement can be referred to a debt collection agency or for legal action.
- If the factoring debt exceeds £350, a Notice of Potential Liability will be registered against the property and renewed where necessary.
- Legal costs will be charged to the owner's account where possible.

Enforcement

Where recovery of arrears actions have been exhausted, decrees will be obtained and may be enforced by:

- Wages arrestment.
- Bank account arrestment.
- Intercepting payments due by a third party e.g. rent.
- Sequestration.
- Inhibition on sale of the property.

Bankruptcy

Where an owner is declared bankrupt the debt will be pursued in accordance with legal procedures.

GOING THE EXTRA MILE

In addition to meeting our legal requirements, PWL will do everything we can to be as supportive and helpful as possible in managing arrears, including:

- Providing owners with detailed information about factoring and service charges they must pay and the options for doing so.
- Providing annual factoring statements to customers.
- Ensuring factoring payment options are accessible and convenient.
- Responding promptly to enquiries about factoring related payments.
- Preventing owners from falling into arrears through early intervention.
- Negotiating agreements to reduce arrears in realistic and affordable instalments if owners cannot clear the arrears with one payment.
- Informing owners of the consequences of not clearing arrears debts or keeping to agreements.
- Making use of all available options for arrears recovery.
- Recording all actions taken and ensuring arrears management processes are applied uniformly.

HOW WILL PWL DEAL WITH FORMER OWNER DEBTS?

Former owner arrears accrue when an owner sells their property and does not pay their final factoring bill or does not provide PWL with a forwarding address. PWL will take all practical steps it can to prevent this from occurring, including:

- Obtaining information on forwarding addresses.
- Pursuing legal action against the former owner.

HOW DOES THIS POLICY FIT WITH THE CORPORATE/BUSINESS PLANS OF PHA/ PWL?

This policy supports PHA's Corporate Plan (2012-2015) in relation to:

- Delivering high quality homes, better services and increased customer satisfaction.
- Growing and developing the business to be competitive and provide value for money.
- Collecting and recovering fees, payments and arrears.

It also supports PWL's Business Plan (2014-2015) in relation to:

- Getting closer to communities so we know, understand and respond to what our customers want and need.
- Supporting community and economic regeneration.

HOW WILL PERFORMANCE ON THIS POLICY BE MONITORED?

Staff will review performance against target on a quarterly basis, taking whatever action is considered necessary to improve poor performance. We will measure how good our performance is by benchmarking with other housing associations through the Scottish Factoring Network Group.

HOW TO COMPLAIN ABOUT THIS SERVICE

Anyone can complain if they feel we have not met our service standards. You can collect a copy of 'Our customer guide to making a complaint' from our office. Our complaints process is also outlined in our Complaints Policy which you can uplift from our office or download from our website at www.partickha.org.uk



THE 'SMALL PRINT'

Updates

This policy and supporting procedures will be reviewed every three years, but it will be amended as necessary to improve service delivery or to reflect any revised legislation, guidance and/or recognised good practice published in the interim.

Equality

We carried out an equalities screening exercise to assess if this strategy has the potential to adversely affect anyone in respect to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The results showed this policy has no negative impact and so a full Equalities Impact Assessment is not required.

Legislative & Regulatory Requirements

This policy complies with the following pieces of legislation and statutory instruments:

The Bankruptcy (Scotland) Act 1985; The Data Protection Act 1998; The Equality Act 2010; The Consumer Credit Act 1974; The Property Factors (Scotland) Act 2011; The Tenement (Scotland) Act 2004, 2011.





A copy of our full Arrears Management Policy is available to collect from our office or to download from our website at www.partickha.org.uk

