



Abronhill Housing Association

Former Tenant Arrears Policy and Procedures

Date Approved	Proposed Review Date
26 April 2022	April 2024

The information in this document is available in other languages or on tape/CD, in large print and also in Braille.

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FORMER TENANT ARREARS POLICY AND PROCEDURES

1.0 INTRODUCTION

Former tenant arrears generally arise when a tenant dies, gives up, absconds or is evicted from a tenancy, leaving unpaid rent.

2.0 POLICY OBJECTIVES

- To promote a prompt, robust and effective approach to minimising former tenant arrears
- To maximise recovery of former tenant arrears consistent with cost effectiveness
- To work towards achieving the relevant outcomes as set out in the Scottish Social Housing Charter and in particular :
 - **Outcome 13 – Value for money**
Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay
 - **Outcome 14 – Rents and service charges**
A balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford them

3.0 FORMER TENANT ARREARS

3.1 PRE-TENANCY TERMINATION – TENANT LEAVING ABRONHILL HA

The following action will occur before a tenant terminates his/her tenancy:

- Inform the tenant of any rent arrears and other housing debts
- Visit or telephone to discuss arrears and to reach a repayment agreement
- Aim to recover arrears or confirm repayment agreement in writing before the tenancy ends
- Obtain a forwarding address.

If no contact is made with the tenant, then recovery procedures will commence as quickly as possible:

- A rent account statement is sent just before the tenancy end.
- A check is carried out to establish whether there are any housing benefit payments or over payments that may be due
- Arrears recorded on the former tenancy arrears spreadsheet must be checked for all new applicants to the housing list, in the event of a subsequent housing application
- Monitoring of former tenant arrears accounts will form part of monthly rent arrears routines

3.2 PRE-TENANCY TERMINATION – TENANT REMAINING AS AN ABRONHILL HA TENANT

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Tenants in arrears will only be considered for an offer of housing where they have maintained an agreement to repay for a minimum period of three months. In this case the following procedures will apply:

- A new repayment agreement will be completed before the tenant is permitted to sign a Tenancy Agreement for their new home.

3.3 POST- TENANCY TERMINATION

3.3.1 Tracing Tenants without Forwarding Addresses

Where a tenancy has been abandoned or given up with no forwarding address, there are a number of steps that can be taken to try to ascertain the whereabouts of the former tenant. The following contacts can be made and all leads and attempts to trace will be recorded in the tenant file:

- Neighbours
- Last known place of work
- Relatives, friends, previous addresses on tenancy file or housing application
- Other social landlords in the area who may have rehoused the former tenant
- Tracing Agency where the arrears are over £600
- Social media search

3.3.2 Guidelines for the Pursuit of Arrears

The following checklist will be run to determine the cost effectiveness of pursuing a former tenant arrear:

- Is the tenant unable to be contacted and the arrear less than £100?
- Has the tenant died or left the country?
- Are there special factors that should be considered e.g. tenant long-term hospitalisation or residential care?

Where the answer to any of the above is “yes”, the arrear should not be pursued.

In all other cases, the following guidelines should be followed:

- (i) Arrears £1 – £100 are likely to be uneconomic to pursue beyond requests to pay by letter and by personal contact. E.g. home visits, telephone calls and texts. If no payments are forthcoming after documented attempts Housing Officers will be able to recommend write off of debts of less than £100.
- (ii) Arrears £100 - £600 are uneconomic to pursue through Court action but will initially be pursued by letters and personal contact requesting payment.

If this does not result in the arrears being cleared or an arrangement kept to, the Associations solicitor will be asked to send a letter warning the former tenant that legal action will follow on failing to agree a repayment plan or clearing the balance. If unsuccessful, recovery may be passed over to a debt collection agency to pursue on the basis of a percentage of the amount collected being retained by the agency.

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(iii) Arrears over £600 will generally be pursued through raising an action for Recovery of Sums Due as follows:

- New simplified procedures for debts under £5,000 or ordinary action where appropriate
- Ordinary Action (£5,000 to £100,000)

Where Court action is pursued and decree granted, the Association will seek to obtain a wage arrestment whenever possible.

(iv) Tenants with arrears over £600 in receipt of Housing Benefit/Universal Credit immediately prior to leaving the tenancy

A trace is carried out to determine address and work status. It may also include information on the former tenant's likely assets. Where these indicate a reasonable prospect of recovery i.e. the tenant is working and/or has substantial assets such as a car, arrears recovery should be pursued as per (ii) or (iii) above. Otherwise arrears should be pursued as in (i) above only.

4.0 WRITE-OFF POLICY

The Management Committee will approve write-offs once per year at 31 March.

The following categories detail when it would be appropriate for a former tenant arrear to be written off.

- Debts owed by tenants who have abandoned or left their tenancies; where attempts to contact them have failed and where a tracing agency has not been able to establish their whereabouts
- Small static arrears of less than £100 and where there are no reasonable expectations of full recovery.
- Debts where a Debt Collection Agency has been unable to obtain payment.
- Debts remaining following the death or long term hospitalisation/residential care of a tenant.
- Debts where legal action has proven to be unsuccessful.
- Debts where the tenant was in receipt of Housing Benefit/Universal Credit at the tenancy end, and where attempts to pursue recovery as outlined in 3.3.2 (iv) above have failed.

Proposals for write off will be presented to the Management Committee in a written report. The written report will specify the total sum to be written off, reasons for write off and a summary of any action taken to date. Each case shall remain anonymous.

7.0 MONITORING, REPORTING AND REVIEW

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The trends in Former Tenant arrears will be reported by the Director to the Management Committee quarterly.

This policy will generally be due for review within three years from its approval, except where there are changes in legislation or best practice guidance which make earlier review necessary.