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ORBIT FORMER TENANCY ARREARS AND CREDITS POLICY

Scope: This policy relates to the recovery of debts owed by customers who leave their Orbit tenancy. It also sets out our approach to dealing with credits left on former tenancy accounts.

1. INTRODUCTION

- 1.1 As a Registered Housing Provider, Orbit is accountable to its lenders and to the Homes and Community Agency. We are measured on our performance in collecting our income and on the amount of debt that is written off each year. The aim of this policy is to maximise former tenant arrears recovery, and to clarify when writing off the debt is the most practical option.
- 1.2 Rental income is the primary source of revenue for Orbit. Maximisation of this income is therefore of fundamental importance to the continued improvement and development of our services.

2. DEFINITION

- 2.1 A former tenant arrear is defined for the purposes of this policy as a debt of unpaid rent or charges, remaining on a rent account (including home owner accounts), including garage accounts, court costs and/or sub account(s), when a tenancy (or similar agreement) has been terminated.
- 2.2 A former tenant credit is defined as an amount of surplus remaining on a rent account, or any sundry accounts when a tenancy has been terminated.

3. POLICY STATEMENT

- 3.1 The approach an organisation adopts towards recovering former tenant debt sends out a strong message to current tenants about the importance of paying rent.
- 3.2 Vigorous and early pursuit of former tenant debt provides the best chance of successful collection and should be central to procedures supporting this

policy. All staff advising customers on the termination of their tenancy or other agreement will advise customers of any debt or credit outstanding.

- 3.2 The costs of pursuing former tenant debt will be balanced against the likelihood of recovery and the level of debt involved. The cost effectiveness of pursuit and collection will be fully considered at all stages. Where it is considered that recovery of a debt is unlikely, or not cost effective, it will be written-off according to current standing orders.
- 3.3 We will work with third parties who are assisting former tenants with their affairs.
- 3.4 Where a former tenant is vulnerable then consideration is given to the most appropriate means of communication and collection, which will include consideration of recommending the debt for write-off. This will be judged on a case by case basis and in accordance with our standing orders.
- 3.5 Any credit on the account will be refunded on request, subject to the clearance of any outstanding debts and, where applicable, obtaining confirmation from the Housing Benefit or Universal Credit administering authorities, that they do not intend to recover any monies from us in respect of overpayments.
- 3.6 In keeping with our current tenant arrears policy, we expect our customers to take responsibility for fulfilling the terms of their tenancy agreement, which includes managing their payments to meet their rental payment obligations. We will not incur expenditure to proactively pursue customers to remind them that their account is in credit where there is a small credit on their account. Where we do pursue customers to advise them of a credit, contacts will be limited and not repetitive, taking into account the cost to the organisation. We will not incur tracing costs to refund a customer.
- 3.7 Where a debt has been written off as unrecoverable, we may subsequently pass the debt to a further collection agency at any time to make further attempts to trace the debtor and recover the debt, subject to the statute of limitations. Any collections on this basis will go to offset our bad debt provision.
- 3.8 Where appropriate, and where this will improve efficiency, Orbit will employ specialist tracing and collection agents.
- 3.8 Orbit Living does not condone or employ the use of distraint as a tool for collecting former tenant arrears, either directly, or via any employed agent.
- 3.9 If a former tenant debt has been written off as uncollectable, and the tenant concerned subsequently re-applies for housing and declares a previous tenancy, the debt will be re-instated if it is considered that there is a reasonable expectation of recovery. Similarly, if any other circumstances change which would make a previously written off debt recoverable, the debt will be re-instated and pursued, except where collection is already being pursued by an agent working on our behalf.
- 3.10 A recommendation to write off a former tenant arrear or credit will be made according to the current procedures and standing orders.

3.11 If a tenant with rent arrears is transferred to a new Orbit property on management grounds, for example, serious anti-social behaviour or domestic violence, due to the issue of a new tenancy or in accordance with our move with arrears policy then terms to clear the former tenant debt created by the move should be agreed and confirmed in writing before the transfer occurs.

4. EQUALITY AND DIVERSITY

As an organisation, we believe that equality matters. That staff, customers and partners should be treated as individuals and with fairness and respect. We believe that diversity of people their skills, experiences and abilities is a strength that helps us as an organisation achieve best the we can.

We will ensure that these principles are applied fairly and consistently to all our staff, customers and partners by ensuring that:

- We will not directly or indirectly discriminate against any person or group of people because of their race, religion / faith, gender, disability, age, sexual orientation or any other grounds set out in our [Equality and Diversity policy](#).
- Our services are relevant, responsive, accessible and sensitive to the needs of our existing and future staff, customers and partners.
- We comply with all the legal requirements in particular the Equality Act (2010) and Human Rights Act (1998) and to go beyond these legal requirements. With regard to the Human Rights Act we are particularly mindful of role Housing Associations have to play in respecting Article 6 Right to a fair trial; Article 8 Right to respect for private life, family life and the home Article 14 Prohibition of discrimination.

4. EQUALITY IMPACT ASSESSMENT

[An equality impact assessment was conducted.](#)

6. CONFIDENTIALITY AND INFORMATION SHARING

We will only share information as outlined in our [Data Protection Policy](#).

7. MONITORING & ACCOUNTABILITY

Members of the Orbit Group will monitor the effectiveness of this policy and recommend policy changes to improve service delivery.

8. REVIEW

We aim to carry out a fundamental review of this policy every three years or sooner if there are legal or regulatory changes.