



PRIMA
GROUP

**Former Tenant
Debt Recovery
Policy**

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Former Tenant Debt Recovery Policy

1 Aim of the Policy

The aim of Prima Group Former Tenant Debt Policy is to ensure that all appropriate and reasonable action is taken to collect monies owed when tenants end their tenancy/ lease. By being effective in recovering all debts, we will have greater financial means available to improve our service offer and deliver excellence as standard to our tenants.

The term debt includes all monies outstanding and include former tenant arrears, court or legal costs incurred, rechargeable costs and any sundry charges outstanding at the time the property was vacated. Rechargeable costs will be costs levied against the former tenant which have resulted from clearance of tenants' belongings left at the property, cleaning the property or for tenant damage identified during the void inspection.

2 Policy Statement

This policy applies to all former tenants ending their tenancies or leases with money owed to Prima Group.

- Prima Group will ensure fairness and respect at all times for all former tenants in debt. These principles will be at the core of all recovery actions and decisions taken.
- Prima Group will provide various payment options by which former tenants can repay debts owed to the Association.
- Where a former tenant has debt or encounters problems reducing the debt, the former tenant will be encouraged to seek further assistance relating to benefit and debt advice and will be signposted accordingly.
- In all cases of former tenant debt, Prima Group will look to enter into mutually agreeable and affordable repayment options. Agreements will be made with a view to preventing the need for further action to recover debts.
- Incentives may be offered by Prima Group to encourage repayment of all former tenant debts.
- Prima Group will utilise the services of tracing agencies and tracing services in cases where forwarding addresses have not been provided by the out-going tenant.
- If Prima Group have been unable to make agreeable arrangements to the recovery of debt outstanding, we will make use of Debt Collection Agencies to pursue debts owed.
- Prima Group will make use of social media and campaigns including newsletters and posters to reinforce the message that all former tenant debt will be pursued.

3 Principles

- Prima Group will make up to two attempts to contact the former tenant to enter into agreeable repayment options, where a forwarding address is known or next of kin details are available. Contact will be attempted using the most appropriate avenue (telephone/email/text/letter/visit)
- Court action will be considered by Prima Group where attempts to recover debts via agreement have been unsuccessful.
- Prima Group will, if needed utilise the services of Debt Recovery Agencies if we are unable to make satisfactory arrangements with the former tenant, or if the former tenant defaults on the agreement made to discharge the debt, or no forwarding address is known.
- Prima Group will comply with all legal obligations in respect of debts owed where bankruptcy, Individual Voluntary Arrangements (IVA) or Debt Relief Orders (DRO) are in place.

4 Writing off Debt

Prima Group may consider writing-off of debts where the:

- Former tenant cannot be traced
- Debt has been identified as uneconomical to pursue
- Tenant has died and Prima Group have been unable to identify the details of the Executor for the late tenant's estate or there is no estate
- Debt has been reduced resulting from the use of an agreed incentive
- Tenant is in residential care
- Tenant is in prison and arrangements to clear the debt have not been made
- Tenant has been subject to a Bankruptcy or Debt Relief Order

Officers have delegated authority to write off debts to limits prescribed in the financial regulations once the processes in this policy are exhausted. Above those limits, the Audit and Assurance Committee must formally approve writing-off debts. All write-offs are reported to the Committee.

5 Incentives

There may be occasions when a discount may be considered, i.e. if we receive 75% of the debt, we may write the balance off. This will be left to the discretion of the Income Officer, unless the balance of arrears are over £300, when approval will be needed from the Housing Manager/Group Head of Housing.

Example:

Total Debt owed = £1,200

75% of debt paid = £900

Balance Amount to write off = £300 (can be approved by Housing Assistant)

If the amount to write off exceeds £300, this must be approved by the Housing Manager/Group Head of Housing before the incentive is agreed.

6 Monitoring, Delivery and Performance

Accounts will be managed/monitored by Income Officers and reviewed monthly by the Income Manager.

Performance on collection and write off's will be measured using a range of statistics and reported regularly to Board and appropriate sub-committees.

7 Document Control Data

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