



Homes & Enterprise

Supporting BME Communities

FORMER CUSTOMER DEBT POLICY

Type of Document:	Policy Statement
Document Group:	Income Management
Scope:	Group wide
Date:	May 2020

1.0 Purpose & Scope

- 1.1 We have this policy because we want our former customers and service users to know our approach to the collection of former customer debts such as rent and service charge arrears.
- 1.2 This policy applies to all customers of Unity Homes and Enterprise and any individual or group.

2.0 Policy aims and objectives

- 2.1 Our aim is to ensure the minimum level of former customer debts and reduce the amounts written off. We will do this by developing a consistent, co-ordinated and effective approach to the recovery of former customer debts.
- 2.2 We recognise the need to balance the cost of recovering debts against the amount owed. We will pursue all former customer debts unless it is not possible to locate the debtor, the debtor is able to demonstrate an inability to repay the amount due or it is not cost effective to pursue the debt. Former customer debts that are deemed irrecoverable will be written off promptly.
- 2.3 Unity will avoid re-housing or refuse to provide services to former customers with debts.

3.0 Service standards

- 3.1 When we deal with the recovery of former customer debts we will:

- Adopt a sensitive but firm approach.
- Provide information about monies due to Unity as soon as we are advised by a customer that they intend to end their tenancy
- Offer a wide range of payment options to make it as easy as possible for former customers to pay off their debt
- Allow former customers to pay by instalments
- Respond to specific enquiries about former customers debts within 10 working days

4.0 Legislation and regulatory obligations

- 4.1 When recovering former customer debts we will have regard to the following requirements of the Regulator of Social Housing when we apply this policy:
- Governance and Financial Viability Standard – we must manage our resources effectively to ensure our viability is maintained
 - Value for Money Standard - ensure that optimal benefit is derived from our resources and assets
- 4.2 There are no specific legislative requirements. We will ensure that any debt recovery agents that we employ comply with their industry codes of practice and are members of a relevant regulatory body.

5.0 Unity's approach to former customer debt recovery

5.1 General principles

Unity will work with customers to ensure that debts are repaid before they cease to be tenants or service users. In all cases, customers will be asked to provide a forwarding address. Our approach will be firm but fair when former customers owe us money. We will always act in a sensitive manner appropriate to customer's individual circumstances. Where efforts to contact former customers fail we may use the services of a specialist debt collection agency to trace former customers.

5.2 Vulnerable former customers

Any action to recover former customer debts will take account of a customer's personal circumstances. We may not pursue recovery of debts where exceptional circumstances exist which may include severe mental or physical health issues and recovery of the debt would have an adverse effect on the former customer.

5.3 Enforcement

Unity will provide former customers with an opportunity to agree a repayment plan. However, if a debt persists or a customer is unwilling to make an agreement Unity may employ the services of a debt recovery agent or take legal action to recover the debt.

6.0 Complaints

Unity will seek to resolve any complaint from customers over the operation of this policy at the first point of contact.

Where we have employed the services of a debt recovery agency the customer will be expected to utilise the agencies dispute resolution procedures. If this cannot be done complaints will be dealt with through our formal complaints procedure.

7.0 Responsibility

Overall responsibility for this policy rests with the Director of Operations. Heads of Service will implement it and ensure that staff receive the appropriate training and support to effectively achieve the objectives of this policy.

8.0 Monitoring and performance

Monitoring of the implementation of this policy will be the responsibility of the Operations Committee. We may set targets for the collection of former customers debts and report on our performance to the Operations Committee.

9.0 Associated policies

- Income Recovery Policy
- Allocations Policy
- Repair Recharges Policy

10.0 Document Management

Policy title	Former Tenant Arrears Policy
Policy group	Income Management
Date created	August 2013
Policy owner	Director of Operations
Authorised by	Operations Committee
Date authorised	13.5.20
Review period	3 years
Date of next review	May 2023

Consultation and assessment

Customer consultation	Not required for this policy.
Equality Impact Assessment	Not required. This policy will ensure consistency and fairness in the collection of former customers debts.
Data Protection Impact Assessment	Not required. Minimal risk of data breaches.

Document review history

Version	Date amended	Date approved	Key changes
1.0	N/A		Original document
2.0	6.6.17	August 2017	9.0 Monitoring – responsibility moved from Board to Operations Committee; link to Business Plan Objective and E&D policy included.
3.0	29.4.20	13.5.20	Policy renamed to encompass all former customers debts; scope expanded to include Enterprise; reference to Business Plan and E&D policy removed.