

# Former Tenant Arrears Policy

# Contents

<b>1</b>	<b>Aims</b>	<b>1</b>
<b>2</b>	<b>Scope</b>	<b>1</b>
<b>3</b>	<b>Policy Statement</b>	<b>1</b>
3.1	Former Tenant Arrears Recovery . . . . .	2
3.2	Implementation of the Policy . . . . .	2
3.3	Rehousing customers with Former Tenant Arrears . . . . .	3
3.4	Writing-off Former Tenant Arrears . . . . .	3
3.5	Write-on . . . . .	4
3.6	Bad Debt Provision . . . . .	4
3.7	Former Tenant Credits . . . . .	4
<b>4</b>	<b>Monitoring and Delivery</b>	<b>5</b>
<b>5</b>	<b>Confidentiality/Data Sharing</b>	<b>5</b>
<b>6</b>	<b>Equality and Diversity</b>	<b>5</b>
<b>7</b>	<b>Complaints and Appeals</b>	<b>6</b>
<b>8</b>	<b>Legislation and Regulation</b>	<b>6</b>
<b>9</b>	<b>Related Policies and Procedures</b>	<b>6</b>
<b>10</b>	<b>Document Control</b>	<b>6</b>

## 1 Aims

1. This policy sets out Jigsaw Homes Group's (the Group) approach to effectively manage the collection of former tenant debt. The Group aims to maximise income through the recovery of former tenant debts by taking a clear, consistent and cost-effective approach.
2. This policy does not cover arrears owed by current customers. The Group's approach to dealing with the recovery of current rent arrears is set out in the Current Rent and Service Charge Policy.
3. The policy makes clear that payment of rent and other charges is the responsibility of the individual even after they have ended the tenancy and is a condition of the tenancy agreement. The Group is committed to taking a proactive approach to prevent debts arising by offering appropriate and timely advice and assistance to its customers.
4. It also seeks to balance the need to maintain a firm but fair approach to debt recovery in order to protect its revenue.

## 2 Scope

5. The policy applies to the recovery of monies owed to the Group's members from their former tenants referred to as "customers" in this policy. Former arrears may include rent and/or sundry debts.
6. The Group Income Team manage accounts where the tenancy has been fully terminated and has come to an end. There are some areas of the business in which the Group Income team do not administer a former tenant account. This includes PFI contracts Legal & General and Gener8. This policy does not cover Leaseholders.

## 3 Policy Statement

7. The Group will minimise the amount of arrears transferred to former tenant cases by taking early action to prevent current debts accruing.
8. The Group seeks to obtain forwarding addresses and other contact details in respect of all tenancy terminations. Where an address is not provided we may use a tracing agency to trace those customers. If a debt is written off and a forwarding address is obtained at a later date this debt may be written back to the account.
9. The Group will attempt to make contact with former tenants promptly following the termination of a tenancy, detailing any charges that they are responsible for.
10. At all stages of recovery, the Group will offer:
  - Private interviews via the telephone or at one of the Group's offices on request,
  - Signposting to the Citizens Advice Bureau.

- An affordability check of a customer’s circumstances with a view to making a realistic arrangement to pay off outstanding debts.
11. In cases where debts are in respect of a deceased customer, action will be limited to contacting the next of kin or executor to claim against the estate. checks will be made to determine any monies remaining in the estate and incentives will be offered for prompt payment. If this action proves unsuccessful the arrears will be written off.
  12. It is accepted that not all former tenant debts will be recoverable and that the cost of recovery action can become excessive. The Group will only pursue debts where it is practical and economical to do so. Where a decision is made to “write off” a debt, this does not preclude arrangements for accepting payment at a later date. The Group may resurrect debts previously written off in appropriate circumstances.
  13. The Group will deal sensitively with former tenants who have debts due to matters related to their support needs, such as ill health, learning difficulties, mental and physical disabilities and victims of domestic abuse.
  14. The Group will liaise with support workers and other relevant agencies when dealing with the arrears of former tenants who have support needs which make them less able to manage their own financial affairs.

### **3.1. Former Tenant Arrears Recovery**

15. The Group Income Team has the primary responsibility for the recovery of former tenant debt for the Group.
16. To maximise the opportunity for debt recovery, prompt action must take place upon notice of tenancy termination to inform the former tenant of the debt outstanding.
17. All records of contact will be maintained and recorded promptly and accurately on the Group’s internal Housing Management System.
18. A quarterly write-off exercise ensures that resources can be focused on accounts where there is a good prospect of recovery. Any write off of debt considered uncollectable will be authorised in accordance with the Group Financial Regulations.

### **3.2. Implementation of the Policy**

19. The Group maintains a computerised housing system which tracks former tenants with an outstanding balance and reports to suggest recovery actions based on a pre-determined escalation procedure are produced.
20. The Group will treat all joint tenants as jointly and severally liable for former tenant debts.
21. Former tenants will be signposted to the Citizens Advice Bureau where it is felt assistance may be needed.
22. All former tenants will be advised of the available payment methods.

### 3.3. Rehousing Customers with Former Tenant Arrears

23. The Group Allocations Policy provides details of how the Group will manage a request for re-housing from a customer with debt owed to the Group.

### 3.4. Writing-Off Former Tenant Arrears

24. There will be instances where, despite all reasonable efforts, it is not possible to pursue a debt further and the former tenant debt should be submitted for write-off. The table of approved limits in the **Group Financial Regulations** provides information of who is able to authorise the write off. A former tenant debt is submitted by the Group Income Team for approval of write-off , in the following circumstances:
- The former tenant has entered permanent residential care and it has been established that they do not have the means to pay the debt,
  - The former tenant is deceased (proof required) and there is no estate or no Next of Kin details,
  - The former tenant cannot be traced,
  - The former tenant has obtained a Bankruptcy or a Debt Relief Order and the moratorium period for this order has expired,
  - The former tenant has not made a payment on the account during the preceding 12 month period despite extensive efforts to recover the debt,
  - It is uneconomical to pursue the debt due to the value outstanding. The value of which is defined in the **Former Tenant Arrears Procedure**,
  - Sensitive cases which have been assessed by Operations Director.
25. The referrals for write-off will be contained in a schedule containing the following:
- Tenancy reference,
  - Balance outstanding,
  - Reason for write off request.
26. Once the write-off has been approved, the transaction will be input on the Group's housing management system and recorded as a write-off adjustment using one of the following codes:
- GRACE - never to be pursued,
  - OWING - Debt can be resurrected,
  - INCENT - incentive given, never to be pursued,
  - CRED - used for credit write offs, credits can be resurrected.

### 3.5. Write-On

27. If, following an OWING write-off, a former tenant is subsequently traced the debt in most cases, irrespective of the amount or age, will be resurrected and the recovery process re-instigated.

### 3.6. Bad Debt Provision

28. Each year, the Group's Finance Team set the bad debt provision to cover the writing-off of former tenant arrears. Currently the provision is set at 100% of the outstanding debt; write-offs are made against the provision during the course of the year.

### 3.7. Former Tenant Credits

29. Taking account of any likely overpayment of Housing Benefit or Universal Credit Housing Element the Group will arrange for the prompt repayment of former tenant credits unless:
- Efforts to establish the whereabouts of the former tenant have been unsuccessful,
  - The tenant is deceased with no known next of kin,
  - The tenant has another outstanding account with the Group in which case any Former Tenancy Credit will be offset against this debt with the tenant's consent.
30. The executors of a tenant's estate are required to provide proof that they are legally empowered to act in this capacity.
31. In the absence of proof of executorship where a credit is under £1,000, payment can be made to the next of kin who reported the death on the death certificate. They must state in writing that they are entitled to receive the credit and that there are no other executors. If there are multiple executors, all parties must agree in writing who can receive the credit.
32. Credits over £1,000 require executorship by means of a will or grant of probate.
33. Where benefits have previously been in payment, a reconciliation should be completed to ascertain the source of the overpayment. Credits due to tenant funded overpayments will be issued promptly. Where a credit is due to a benefit overpayment or the source is unknown a six month period should have lapsed before a credit is refunded to the beneficiaries of the estate unless written confirmation has been received from the appropriate organisation to confirm that overpayments are not due. This is in order that any overpayments can be recovered by the Department for Work and Pensions or Local Housing Benefit Office.
34. Where a former tenant, estate or next of kin of a deceased tenant cannot be located despite reasonable efforts to make contact, the credit balances will be written off after 12 months with appropriate authorisation as set out in the Group Financial Regulations. If contact is then made, the credit will be written back on and refunded in line with the above guidance.

## 4 Monitoring and Delivery

35. Performance is monitored by the Group Income Team Manager by performing quality checks on the work completed by the Group Income Officers and by monitoring Key Performance Indicators.
36. The Group Income Team are set cash collection targets each financial year which are monitored on a four weekly basis.
37. Detailed performance information is to be included in an internal Finance Summary Report, to be produced and reported to EMT on a quarterly basis and to include:
  - The number of former tenants in arrears
  - The total amount of former tenant debt outstanding
  - Average debt owed by former tenants
  - Total amount of former tenant debt collected
38. The policy will be kept under review as changes take place in legislation or there are found to be any deficiencies or learning points from a complaint, or findings from any independent organisation.

## 5 Confidentiality/Data Sharing

39. The Group will ensure that customer confidentiality is maintained at all times and that all personal information of third parties will be handled in accordance with the requirements of the group **Data Protection Policy**. The Group's processing of personal data, including sharing with third parties, will only take place where there is a lawful basis for doing.

## 6 Equality and Diversity

40. Where appropriate the Group will provide alternative formats for contacting customers to overcome communication barriers such as language barriers, hearing or visual impairments.
41. When implementing the policy and any associated procedures the Group will ensure that it complies with the Equality Act 2010
42. Though implementation of the policy, the Group will not discriminate on the grounds of any protected characteristic, namely: age; disability; gender; gender reassignment; marriage and civil partnership; maternity; race and ethnicity; religion or belief and sexual orientation.

## 7 Complaints and Appeals

43. Any complaints regarding failure to follow this policy and or associated procedure or about the way a customer has been treated in relation to this policy or procedure will be dealt with through the **Group's Complaints Policy** and procedures.

## 8 Legislation and Regulation

44. This policy is linked to the following:

- The Equality Act 2010
- The Data Protection Act 2018

## 9 Related Policies and Procedures

45. This policy has links to other Group Policies and Procedures:

- Rent Recovery Procedure
- Former Tenant Arrears Procedures
- Current Rent and Service Charge Collection Policy
- Allocations Policy
- Group Financial Regulations
- Data Protection Policy
- Complaints Policy

## 10 Document Control

---

Responsible Officer/s:	Paul Chisnell, Executive Director of Finance Angelina Timoney, Assistant Director of Finance (Operations)
Date of Approval:	7 March 2024
Approved by:	Jigsaw Group Board
To be Reviewed Every:	Three Years

---





## Creating homes. Building lives.

Jigsaw Homes Group Ltd.

Cavendish 249  
Cavendish Street  
Ashton-under-Lyne  
OL6 7AT

<https://www.jigsawhomes.org.uk>  
0300 111 1133  
[info@jigsawhomes.org.uk](mailto:info@jigsawhomes.org.uk)

Regulated by the Regulator of Social Housing Registration No. LH 4345

Registered under the Co-operative and Community Benefit Societies Act 2014 Registration No. 29433R

Document produced on 1 May 2024.