



Former Resident Arrears and Credits (Income Collection)

1.0 Purpose and scope

This policy sets out our approach to collecting outstanding debts from the accounts of former residents. This policy also covers returning credit to former resident accounts.

This policy applies to all tenures.

2.0 Definitions

Former Resident Arrears - when an agreement between a resident and NHG comes to an end with arrears left on their account.

Former Resident Credit - when an agreement between a resident and NHG comes to an end with a credit left on their account.

Write off - removing the arrears balance owed to NHG from a resident's account

Write on - removing the credit balance left on a former resident account. Credit moves to the general NHG ledger.

Settlement - where NHG agree with the former resident that if they clear a certain percentage of the debt, NHG will not collect the remaining balance.

3.0 Debt Recovery Actions

We work with residents to assist making it easy to pay off any remaining arrears on their account before they end their agreement with us. If agreements are ended without all arrears being cleared, we take all reasonable actions to recover any arrears remaining. This includes residents who are in receipt of Housing Benefit or Universal Credit.

We use all reasonable contact methods to recover outstanding debts such as telephone, letter, email and text.

Depending on the occupancy agreement we may consider the following actions to recover the debt:

- Use any remaining deposit held against the account
- Instruct a debt collection agency

- Seek for a money judgement order
- Seek an attachment of earnings
- Use a tracing service
- If the resident is an owner occupier, the resale of their property may be affected.

Repayment Arrangements

We will support former residents in clearing arrears by agreeing a payment arrangement with the resident. This will usually be via a direct debit for the repayment of the debt. Alternative repayment arrangements may be considered on a case by case basis. We will confirm all repayment agreements in writing. If the payment arrangement is broken, we may refer the former resident's arrears case to a debt collection agency or seek payment of the debt via legal action.

Recovery of debt from deceased

We handle such cases in a sensitive manner. We:

- carry out a probate search to establish whether the deceased resident left an estate and if so make contact with the executor.
- Not pursue any debt within 6 weeks after the account is closed
- Where payment is not possible or declined, we will request confirmation in writing from the next of kin or executor, and once received the account will be processed for write off

Settlements

In certain circumstances we may agree a settlement with a resident. The resident will clear a percentage of the arrears and we will agree not to pursue the resident for the remaining balance.

Settlement cases will be reviewed on a case-by-case basis and must be approved by the relevant manager, according to the limits assigned to the financial regulations.

4.0 Arrears Write Off

Arrears write offs are considered after all other avenues to clear the former resident account have been exhausted.

Write offs are considered when:

- A debt collection agency has been unsuccessful in recovering the debt
- Where probate search has not found details for a next of kin or executor, or any remaining Estate is insufficient to cover the debt
- The resident has been declared bankruptcy. (Please refer to the Bankruptcy, DRO and IVA policy)
- There are known vulnerabilities which make it difficult for us to recover the debt.

Write off requests are referred to the relevant manager, according to financial regulation limit.

Before writing off debt we will check to ensure the former resident has not transferred internally. If so we will continue to seek payment.

5.0 Former Resident Credit

We will ensure that former resident's credits will be returned when requested. We will:

- Return former resident credit to the resident where there is no other outstanding balance
- Submit a write on request where a credit refund has not been requested by a former resident within 6 years of the termination of the tenure
- Ensure that due diligence checks will be completed before any credit is returned
- Check with Housing Benefit that there has been no overpayment.

Before writing on a credit, we will check to ensure the former resident has not transferred internally. If so, we will perform a balance transfer to the new rent account.

6.0 Our Approach

A diversity and inclusion assessment has not been completed for this policy.

7.0 Reference

List key legislation, regulation or external links

- Limitations Act 1980
- County Courts Act 1984
- Housing Act 1996
- Civil Procedure Act 1997
- Civil Procedure Rules 1999
- Equality Act 2010
- Data Protection Act 1998

Document control

Author	Luke Thomas
Approval date	18 April 2023
Effective date	18 April 2023
Approved by	Policy Group
Policy owner	Head of Rent and Service Charge

Version Control

Date	Amendment	Version
18/4/2023	3 year review carried out. Job roles changed and references to new database updated.	2.1