



# Former Resident Arrears and Credits (Income Collection)

## 1.0 Purpose and scope

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This policy sets out our approach to collecting outstanding arrears from the accounts of residents when they breach their tenancy, by failing to ensure that outstanding arrears are paid before they move out of their home. This policy also covers returning credit to former resident accounts.

This policy applies to all residential tenures.

## 2.0 Definitions

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**Former resident arrears** - when an occupancy agreement between a resident and Notting Hill Genesis (NHG) comes to an end with arrears or other charges left unpaid on the resident's account.

**Arrears**- payments that are overdue or unpaid, this could refer to rent arrears as well as other outstanding payments for things like service charges or rechargeable repairs.

**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 we agree with the former resident that if they clear a certain percentage of the arrears, we will not collect the remaining balance.

## 3.0 Arrears recovery actions

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We work with residents to manage and reduce the arrears on their account throughout their occupancy, to ensure the arrears on their account are cleared before they end their agreement with us. We do this through regular engagement on arrears and through mechanisms such as setting up payment plans and referring them to welfare benefit support where needed.

If agreements end without all arrears being cleared, such as in cases of eviction or abandonment, we take all reasonable actions to recover any remaining arrears. This includes residents who are in receipt of Housing Benefit or Universal Credit.

We use all reasonable contact methods to recover outstanding arrears such as telephone, letter, email and text. We will accommodate any communication needs residents have, such as requiring letters in accessible formats or language needs, so we can continue to work with the former resident to clear their arrears.

Depending on terms of the occupancy agreement, we may take any of the following actions to recover the arrears:

- Use any remaining credit held against the account to clear sundry debt
- Instruct an arrears collection agency to pursue the resident for repayment
- Use a tracing service
- If the resident is an owner occupier, the resale of their property may be affected.

We will consider the best approach to arrears recovery on a case by case basis, taking into account vulnerabilities and the reasons for the tenancy ending, and consult our legal team before proceeding with any legal interventions to recover arrears.

### **Repayment arrangements**

In the first instance, we will always seek to get full payment of arrears from the former resident. If the former resident is unable to pay, we will consider their individual circumstances such as income, vulnerability and reasons for the tenancy end to decide if we can offer a repayment plan.

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 arrears via legal action.

Where possible, we will set up repayment arrangements before the resident moves out of their home. In order to do this, the resident will need to set up a standing order and send us proof of this.

### **Recovery of arrears from deceased residents**

We understand how deeply that the loss of a family member or close friend can affect you so, to avoid causing any further distress during this time, we will ensure that these cases are handled in a sensitive manner. We will:

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

### **Settlements**

In exceptional circumstances we may agree a settlement with a resident, this will be agreed on a case-by-case basis, considering the following factors: safeguarding, the

resident's income, vulnerabilities and the reasons for the tenancy end. The resident will clear a percentage of the arrears and we will write off the remaining balance.

Settlement must be approved by the relevant manager, according to the limits assigned to the financial regulations.

## 4.0 Arrears Write Off

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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 arrears
- Where probate search has not found details for a next of kin or executor, or any remaining estate is insufficient to cover the arrears
- The resident has been declared bankrupt. (Please refer to the [residents with a formal debt solution policy](#))
- There are known vulnerabilities which make it difficult for us to recover the arrears.
- The debt is statute barred, meaning that because the debt is over 6 years old we can not longer take legal action.

## 5.0 Former Resident Credit

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We will ensure that former resident's credits will be returned when requested. Before returning the credit to the resident we will complete checks to ensure that the funds are owed to the resident, such as checking for sundry debt or housing benefit overpayment and complete due diligence checks.

Where a resident has transferred internally, we complete a balance transfer to the new rent account.

## 6.0 Our Approach

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A diversity and inclusion assessment has been completed for this policy.

## 7.0 Reference

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List key legislation, regulation or external links

- [Limitations Act 1980](#)
- [County Courts Act 1984](#)
- [Civil Procedure Act 1997](#)
- [Civil Procedure Rules 1999](#)

## Document control

Author	Honor Virden, Policy and Procedure Delivery Officer
Approval date	14/07/25
Effective date	2/09/25
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
28/08/25	3 year review completed.	3.0
2/09/25	Added statement about 6 year old debt being written off	3.1