



# KINGDOM

Group

## Arrears Policy

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Approved: March 2023  
Update Approved: June 2024  
Next Review: March 2028

## Arrears Policy

### 1. Statement of Intent

This is a Kingdom Group policy. Kingdom is committed to the principles of good corporate governance and sustainability and will endeavour to develop fair and consistent policies, procedures and practices.

In line with Kingdom's commitment to equality and diversity, this policy can be made available in a variety of formats, including large print, translated into another language or on audio tape. Reasonable adjustments will also be made to assist individuals who have particular needs.

### 2. General Principles

We will provide all customers with detailed and accurate information about how much rent, service charges and other charges they must pay and the options available to do so.

We recognise the importance of ensuring that arrears are kept to a minimum. To ensure our financial viability we will work proactively to minimise the risk of arrears arising. Where arrears do arise; we will take early and effective action to control them.

We will offer all customers advice and assistance to help them reduce their arrears and provide them with opportunities to make realistic arrangements for the repayment of arrears.

The Kingdom Group has adopted a Sustainability Policy. The principles of that policy will be applied to the implementation of this policy.

We will provide all new and current customers with relevant information and provide tailored support and advice. In all cases, we will seek to ensure that all customers understand their ongoing responsibilities to pay their rent and other charges. Where customers are in receipt of Housing Benefit or Universal Credit and do not receive enough benefit support to fully cover their rent we will provide all reasonable assistance to prevent them falling into arrears. For all customers, including those in receipt of state financial support for their housing costs, where arrears accrue and we have taken all reasonable steps to assist, we will treat the arrear as any other debt and follow our arrears policy and processes to recover this.

This policy is designed to ensure that we are able to achieve the above General Principles for all customer accounts.



### **3. Methods of Payment**

We will offer our customers a choice of as many convenient payment methods as we can, providing that they are cost effective for us to administer.

### **4. The Prevention of Arrears**

We will proactively engage with new and current customers to help to identify issues that could potentially make it difficult for them to maintain payments. We will provide appropriate tailored assistance to enable customers to manage their payments and to support tenancy sustainment.

Customers have a responsibility to notify us of any change that may affect their ability to pay their rent.

Customers can request a copy of their account at any time. In addition our social rent tenants can also view their account through the self service portal, My Kingdom, on our website.

We will review all credit balances on a two monthly basis. Credit balances will be refunded to the customer as appropriate. A credit balance on a customer's account may be used by us to off-set against any other debts owed by the customer to us.

We will make sure all communications concerning an individual's rent account are treated as confidential and meet Data Protection requirements.

MMR tenants will pay a deposit, equal to one month's rent, when they sign their tenancy agreement.

### **5. Managing Arrears**

All payments are due on the first day of each month and should be paid on or before this date.

Any exception to this must be formally agreed with the Association.

All customer accounts will be monitored on at least a monthly basis. Any customer in arrears will be contacted to make arrangements for repayment.



If any customer is experiencing debt problems and this is impacting on their ability to make regular rent payments, we will offer them internal money advice and tenancy support, or refer them to any other appropriate external agency that we are aware of in order for independent advice and assistance to be given.

We will liaise with appropriate external agencies to maximise income for our customers and Kingdom.

We will take all reasonable steps, taking into account current legislation and recognised good practice, to support customers who require assistance with managing their finances.

We will follow all current legislation, and governmental and regulatory guidelines when taking action, including legal action in order to recover debt.

## **6. Access to Advice & Support**

We provide in-house tenancy sustainment services to help our customers maximise their household income, reduce expenses, and access financial support. Our comprehensive services include:

- Budgeting assistance
- Benefits advice
- Energy advice
- Debt negotiation
- Tenancy skills development
- Support with household management tasks
- Advocacy
- Help to access services and opportunities within the community.

When specialist services are required, we will facilitate referrals and work to eliminate any barriers to free, impartial advice. This includes ensuring access to expert debt advice services.

## **7. Legal Action**

Legal action is the last stage in the arrears process and will be instructed where customers are not complying with arrangements to repay their arrears and all reasonable arrears recovery efforts have been exhausted. Full consideration will be given to the background to each individual case before instructing legal action.



## **8. Decree of Eviction or Eviction Order Granted**

When we obtain a Decree for Recovery of Possession, a report will be prepared by the Housing Manager or Housing Director and presented to a member of the EMT for consideration and approval as appropriate.

At this stage the recovery of a property will normally only be halted if the customer clears 100% of the rent arrears and any other debt due by them to us, including legal expenses. Exceptions to this rule can only be approved by the Housing Manager, Housing Director or a member of the EMT.

## **9. Former Customers**

We will pursue former customer debts using our own resources and appropriate external debt recovery agencies.

It is Kingdom Policy and good accounting practice to write off debts that are deemed unlikely to be recovered. The Customer Accounts Team shall recommend the amount to be written off and request appropriate authorisation in line with the agreed authorisation limits.

## **10. Factoring Debt**

Where our customers are not complying with an arrangement to reduce or clear Factoring charges we may look to recover the debt through small claims action. The customer may also be liable for legal expenses incurred with the recovery.

## **11. Monitoring Performance**

Performance will be reviewed internally on a monthly basis.

A quarterly report will be produced for the appropriate Board of Management which will detail performance against KPIs and additional relevant highlighted information.

We review our arrears performance against other Registered Social Landlords to compare performance and benefit from good practice.



## **12. The Scottish Social Housing Charter**

The Scottish Social Housing Charter sets standards and outcomes that describe the results that tenants and others who use their services can expect from social landlords. This policy sets out how we meet these objectives.

### **Charter ref no 1: Equalities**

Social landlords perform all aspects of their housing services so that: Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services. We will promote equal opportunities by publishing information and documentation in different languages and other formats such as large print, tape and braille, as required. We will visit customers in their own homes where they have a disability or any other restrictions that prevents them from coming to our office.

### **Charter ref no 3 - Participation**

Social landlords manage their business so that tenants and other customers find it easy to participate in and influence their landlord's decision at a level they feel comfortable with.

### **Charter ref no 11: Tenancy sustainment**

Social landlords make sure that: Tenants get the information they need on how to obtain support to remain in their home and ensure suitable support is available, including services provided directly by the landlord and by other organisations. We will give all our customers help and advice to help them to sustain their tenancies and sign post them to various agencies if further and more specialist assistance is required.

## **13. Review**

This policy will be reviewed on a five yearly basis from the date of implementation, which will be the date the policy is approved by the Board of Management or earlier if needed.



## KINGDOM GROUP: ARREARS POLICY

Policy drawn up with reference to:

Equality Act 2010

Data Protection Act 2018

Housing (Scotland) Act 2001 as amended Housing (Scotland) Act 2010 Homelessness etc (Scotland) Act 2012

Scottish Social Housing Charter

Original policy approved by KHA Board; March 2018

Reviewed by Matthew Busher, Housing Director; February 2023

Presented to Policy Sub-committee: 14 February 2023

Presented to KI Board: 28 March 2023

Presented to KHA Board: 20 March 2023

Minor Update approved by Customer Services Committee: June 2024

Next Review Date: March 2028

