

# **POLICY ON WRITING-OFF FORMER TENANT ARREARS/CREDIT BALANCES**

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## **1. INTRODUCTION**

- 1.1 The purpose of this Policy is to clearly outline how the Association will address the issue of managing and writing off irrecoverable debts/credit balances arising from former tenants.
- 1.2 The Association has a responsibility to collect all monies owed. It is inevitable, however, that the Association will accrue debts which are irrecoverable and/or it is not cost effective to pursue.
- 1.3 An irrecoverable debt is one where an invoice or rent debit has been correctly raised but no payment or only part payment has been made and there is considered to be no realistic prospect of further recovery of the debt.
- 1.4 Former tenant arrears are historically difficult to recover. It is therefore important to initiate preventative action before the tenancy has terminated or commence contact and recovery procedures promptly after the termination date.
- 1.5 Reidvale Housing Association is an equal opportunities organisation. We abide by the terms of the Equality Act 2010 which incorporates all of the main pieces of discrimination legislation. No person or group of persons will be treated less favourably than any other persons or groups of persons because of their sex, marital status, family circumstances, race or national origins, disability, age, religion, political orientation or sexual orientation. To ensure equal access to the information contained in this policy we are happy to provide copies free of charge in Braille, in large print, translated into other languages or put onto audio tape.

## **2. LEGAL REQUIREMENTS AND REGULATORY FRAMEWORK**

- 2.1 This policy has been developed within a framework that ensures proper compliance with all relevant legislation, regulatory standards and good practice guidance.
- 2.2 The legal framework in relation to rent management is set out in the Housing (Scotland) Act 2001 and the Housing (Scotland) Act 2010. However, in implementing our approach the Association is also mindful of our rights and responsibilities contained within other legislation. Examples of relevant legislation are detailed below:
  - Data Protection Act 1998 – outlines the Association’s responsibilities for gathering and sharing information

- Equality act 2010 – ensures that everyone is treated fairly and that this is done equally across all groups, protected or otherwise
- Debtors Scotland Act 1987 – enables the Association to seek wage arrestment from a debtor
- Bankruptcy and Diligence etc (Scotland) Act 2007 – outlines the legislation in terms of tenants who declare themselves bankrupt
- Human Rights Act 1998 – outlines responsibilities in terms of safeguarding human rights.

**2.3** The Scottish Social Housing Charter was introduced by the Scottish Government in 2012. The Charter sets out the standards and outcomes for all social landlords when performing their wide range of activities. The Scottish Housing Regulator monitors associations' performance against the Charter through their regulatory assessments. The Association will comply with the following Scottish Social Housing Charter requirements most relevant to this policy:

- Outcome 1: Equalities – 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.
- Outcome 2: Communication – tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.
- Outcome 3: Participation – tenants and other customers find it easy to participate in and influence their landlord's decisions.
- Outcome 13: Value for Money – tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

**2.4** This policy has also taken full cognisance of good practice guidance in relation to the prevention and management of rent arrears from the Chartered Institute of Housing and the Scottish Federation of Housing Associations.

### **3. CATEGORIES OF DEBT/CREDIT BALANCE**

**3.1** Irrecoverable debts affected by this Policy may be defined as:

Former Tenant Rent Arrears/Credit Balance  
Former Tenant Rechargeable Repairs

**3.2** The Association would not normally consider any debt owed by a current tenant of the Association to be irrecoverable and will take all reasonable steps to recover such debt in accordance with its Arrears Recovery Policy.

#### **4. RECOVERY ACTION**

Recovery of Former Tenant Arrears will be pursued in line with the Association's Former Tenant Arrears Policy and Procedures.

#### **5. CRITERIA FOR WRITE OFF**

The Association will consider writing off debts as irrecoverable in the following circumstances:

- The individual has been evicted or has abandoned an Association property without notifying a forwarding address and reasonable efforts to establish his/her whereabouts have been unsuccessful.
- The individual is deceased and their estate is insufficient to meet the debt.
- The individual's whereabouts are known but the level of debt in the context of the likely cost of recovery make it not cost-effective to pursue beyond the issuing of 2 standard letters - where the balance is less than £50
- The individual's whereabouts are known but he/she has failed to respond to at least two letters and a home visit by housing management staff. Where the level of debt is below £150 it is not considered to be cost-effective to pursue further.
- The individual has been admitted to long-term hospital or institutional care and has insufficient income or capital to meet the debt.
- The individual has been declared bankrupt or has been sequestrated and no dividend is payable.

#### **6. FORMER TENANT REGISTER**

In accordance with the Association's Former Tenant Arrears Policy and Procedures all former tenant arrears will remain on record. Balances which have received the authorisation of the Management Committee to be written-off will remain on easily accessible records. Arrears will then be pursued should news of the tenant arise at a later date or should the tenant apply to the Association for rehousing.

#### **7. REPORTING PROCEDURES**

- 7.1** The Housing Manager will be responsible for submitting on an annual basis a summary of the cases which apply under the write-off criteria to the Management Committee, on the recommendation of and following consideration by the Housing Services Sub-Committee.
- 7.2** In accordance with the principle already used for debt matters cases will be presented anonymously to Committee and no individual details will be included.

**8. REVIEW OF POLICY**

**8.1** The contents of this policy will be reviewed and amended as necessary at least every 5 years.

**8.2** The Policy was agreed by the Management Committee on 31<sup>st</sup> August 2017.