



Customer Income and Arrears Policy

Accent Housing: Customer Income and Arrears Policy 270624 v1.3

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1.0	Amanda Oakley	30/06/2021	30/06/2022	New	James Place
1.1	Amanda Oakley	28/07/2021	30/06/2022	Change to refund timescale	James Place
1.2	Julie Wittich	20/04/2023	20/04/2024	Updates to all content	James Place
1.3	CEC 16/07/2024	27/06/2024	27/06/2027	Updates to content	Amanda Oakley

Purpose: To ensure the collection of our income and prevention of arrears is compliant with relevant legislation and Accent’s income strategy.

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1. Introduction

Effective income collection is key to the sustainability and viability of our business. We adopt a very pro-active approach to income collection and aim to provide a supportive experience for customers that builds trust at every touch point.

When customers apply for a home, (rented and homeownership), we assess their affordability using necessary financial checks.

When customers receive the keys to their new home, we explain the legal obligations of their tenancy or lease. This includes their responsibility to pay rent, service charges and other charges (for example, ground rent, rechargeable repairs, major works and deferred service charges).

We recognise that many customers are being heavily impacted by the cost of living crisis and this policy seeks to reinforce the importance of maintaining a well managed rent account whilst offering support to customers experiencing difficulty in paying for their housing costs. We work alongside our customers to prevent missed payments and support those in financial hardship.

Where arrears are owed from a current customer, we assess their financial situation to agree an affordable repayment plan within a 12-month period. There may be occasions where due to a customer's financial situation an agreement is made which exceeds the 12-month period.

We will take legal steps to gain possession of a customer's home where arrears are owed, and they do not engage with us or other support agencies to improve their financial situation and pay their arrears.

When customers end their tenancy or sell their home, we provide advice on how to pay any outstanding arrears or other debt.

Where a customer has a credit balance on their account that is higher than required, we will investigate how the credit was created to ensure there is no money laundering or fraud activity before refunding the balance.

We provide customers a choice of payment methods and frequencies to pay their charges according to their tenancy or lease.

2. Scope

This policy includes our approach to collecting our income and arrears from all tenancy types, including rental, homeowners and garage tenancies.

3. References

Our policies and procedures can be found in the [Corporate Library](#).

- Allocations and Lettings Policy
- Anti-Money Laundering Policy
- Current Income and Arrears Procedure (Rented Customers)

- Homeownership Arrears
- Former Customer Account Procedure
- Payment Handling Procedure (to be confirmed if still needed)
- Shared Owners Resale Procedure
- Service Charges Policy
- *External - Justice.gov.uk* Pre-Action Protocol ([Rented Customers](#))
- *External - Justice.gov.uk* Pre-Action Protocol ([Homeowners](#))

4. Payment Frequencies & Methods of Payments

Rent and services charges are due as stated within the terms set out in the customers tenancy or lease.

We offer various methods of payment for our customers. These methods can be found on our website within the ways to pay section.

5. New Customers

Tenants

We assess all new applicants on their suitability to sustain a tenancy with us by carrying out an affordability assessment so we can understand their income and expenditure. We follow the principle of 'rent on time', so accounts always have a clear balance, as stated within the tenancy or lease. Full details and a breakdown of initial payment and future payments will be discussed and agreed during the application process.

Shared Owners and leaseholders

We provide customers a schedule of applicable rent and/or estimated service charge costs as part of their affordability checks before they purchase their home. This schedule is aligned to the lease they sign and details the charges they are required to pay whilst owning the property.

6. Customers in Arrears

We know some of our customers may be vulnerable or fall into hardship at times and we are committed to understanding and helping them to sustain their contracts with us.

Customers who need additional support in meeting their obligations will receive support from us and where appropriate our financial inclusion team or be signposted to our [online](#) tools or a specialist independent organisation such as Step Change or Citizens Advice.

When customers miss payments, we will attempt to contact them using all available contact methods.

Customers will always be asked to pay the balance in full, if this is not possible, we agree a plan to clear their balance within 12 months. For rented customers and only by exception, through evidence of affordability, will we agree for repayment plans longer than 12 months. We will not make any repayment plans for over 12 months for homeownership customers.

Where required, we will make applications for tenants' housing costs to be paid directly to Accent via an Alternative Payment Arrangement and for arrear payments to be collected via Third Party Deductions (of between 10% to 20% of the non-housing element of their Universal Credit (claim)).

We may to take legal action using the applicable pre-action protocol. The legal options include:

Rental Customers	<ul style="list-style-type: none"> • Serving a notice to seek possession (grounds 8, 10 and 11) • Application for possession • Application for a warrant of eviction
Leaseholder	<ul style="list-style-type: none"> • Application for forfeiture
Shared Owner	<ul style="list-style-type: none"> • Serving a notice to seek possession (grounds 8, 10 and 11) • Application for possession • Application for a warrant of eviction
Freeholder	<ul style="list-style-type: none"> • County Court Judgment • Attachment of earnings • Charge on property

Prior to legal action we will try to contact the tenant in a range of ways but not restricted to; text messaging, email, telephone, letters, and visits to their home. We will also try to engage tenants to provide advice and support.

We will always seek to assist the tenant and will seek legal action only as a last resort.

We will support customers who obtain insolvency measures due to financial hardship, this includes debt respite, debt relief orders, bankruptcy, and individual voluntary agreements (former customers only). Customers must continue to pay their on-going charges.

7. Customers in Credit

We will proactively monitor customers' accounts with a credit balance greater than 5 weeks to ensure we are not over collecting payments. We will investigate how the credit balance has been created to ensure we are identifying and preventing fraud and money laundering.

To prevent fraud and money laundering, we will not allow customers to retain high levels of credit on their account without a legitimate reason.

8. Former Customers (Rental)

Former customers owing arrears or debt with no payment arrangement in place will be passed to our external debt agency partners for collection.

Customers who terminate with a credit balance will be informed of their refund amount after all necessary checks are complete. These checks include a property inspection to identify rechargeable repairs and Housing Benefit or Universal Credit overpayments. The

credit balance will be adjusted as necessary, and the customer will be advised of any changes.

9. Former Customers (Homeowners)

Customers who sell their homes are required to clear their balance ahead or on the day of the sale completion. We will provide customers and their solicitors all relevant proof of charges and balances.

10. Recharges

It should be noted that we do not routinely carry out works that are our customer's responsibility. However, if we do have cause to recharge customers for repairs that are not our responsibility, all recharges are subject to VAT under HMRC regulations.

Leaseholders will not normally have any work carried out by us in their home but will be charged a proportion of the costs expended by us, (or our agents), for communal works and services provided as required within the lease or freehold transfer document. In the event of other work, (for emergency access or health and safety reasons for example), we reserve the right to recharge where it is legally or contractually applicable.

11. Controls

Regular audits of customers' accounts are completed to ensure they are being actively managed as per our policy and procedure.

Applications for legal action are approved by Managers and Heads of Service authorise applications for a warrant of eviction / forfeiture.

Refunds are approved by a manager before being processed.

12. Exceptions

There may be certain circumstances under which the terms of this policy may be reconsidered. Colleagues should be mindful of customer vulnerabilities and their specific needs. Extenuating circumstances will be assessed on a case-by-case basis and exceptions may be applied that require empathy and flexibility, to ensure that customers are treated fairly, compassionately and with respect. Exceptions will be agreed with line management and must be recorded to ensure transparency and consistency in our dealings with customers. Colleagues should seek guidance from line managers when required.