



Clydebank Housing Association Ltd.
(Registered Property Factor PF000231)

Factoring Debt Recovery Procedure

This document can be made available on request in a variety of different formats, such as on tape, in large print and translated into other languages

FACTORING DEBT RECOVERY PROCEDURE

- 1)** The Finance and Admin section is responsible for the production of the Factoring invoices and customer statements. Owners will be invoiced for the charges that they are responsible for, as identified within their deed of conditions and as described in the Written Statement of Services issued.
- 2)** Factors invoices will be prepared and issued twice yearly, in June and December, and are due for payment within 28 days of receipt.
- 3)** All owners will be provided with an Allpay payment card to allow payment at the Post Office, various retail outlets, online and via telephone. Opportunity to pay by direct debit, standing order, direct bank payment, cheque, credit and debit card are also available.
- 4)** Owners will be offered the opportunity to clear their account in affordable, interest-free instalments. In order to take advantage of this facility, the owner must contact the Finance Department to discuss any proposed arrangement so that it can be agreed and formally noted on their account. Under normal circumstances, only payment arrangements which will clear the owner's account in full prior to the next invoice being issued will be accepted. However, each case will be judged on its own merit and the owner's financial circumstances and any other relevant factors will be taken into account. Ultimately the Association must recover arrears in order to maintain a cost effective and efficient service to other owners.
- 5)** If payments are not received within 28 days and no payment arrangement has been agreed with the owner, a letter will be sent to the owner advising them that the invoice is overdue and requesting payment within 7 days (Factor 13).
- 6)** If, after a further 14 days, there has been no response to the first reminder, a second reminder will be sent requesting that the invoice be cleared by return (Factor 12).
- 7)** If, after a further 14 days, there is still no response, a third reminder will be sent advising the owner that if they have reason for withholding payment they must contact the Association to discuss this as soon as possible (Factor 18).
- 8)** If, after 7 days, there is still no response, a fourth reminder will be sent indicating to the owner that they are in breach of their Deed of Conditions (or Occupancy Agreement if the owner is a sharing owner) and that the account should be settled immediately (Factor 8).
- 9)** If, after 7 days, there is still no response, a fifth reminder will be sent indicating that legal action will be taken if the account is not settled within 7 days (Factor 22).
- 10)** Once all of the above methods have been exhausted and before proceeding with a Small Claims Action, a Solicitor's letter will be sent as a final warning, outlining our intention to raise a Small Claims Action without further notice if the account is not cleared in full or a payment arrangement agreed.

- 11)** If this fails to prompt payment, the Finance Officer will seek approval from the Finance, Staffing & General Purposes Sub-Committee to proceed with a Small Claims Action. Any Action raised will be in respect of the outstanding debt and any expenses determined by the Court.
- 12)** Once Decree is awarded, if the owner fails to pay within 14 days (or fails to make payments as agreed per the Time to Pay Direction, if applicable), a recommendation may be made to the Finance, Staffing & G.P. Sub-Committee to employ Sheriff Officers to enforce the Decree (i.e. bank account arrestment, wage arrestment, attachment of goods order). It may also be recommended that an Inhibition be registered against the owner.
- 13)** A Notice of Potential Liability for Costs may be raised against an owner's property where there is persistent non-payment of factors invoices, regardless of whether a Small Claims Action has been raised or not. This Notice will hold any potential purchaser of the property jointly liable for the debt.
- 14)** Any payment arrangements that are agreed with owners will be closely monitored to ensure that no payments are missed. If a payment is missed, a reminder will be sent to the owner immediately (Factor 6).
- 15)** The Finance Section should be kept informed of any on-going disputes between owners and the Maintenance Section. This ensures that no reminders are issued to owners whilst disputes/queries are being investigated. Once disputes have been dealt with by the Maintenance Section and the owner advised of the outcome, this should be notified to the Finance Section as soon as possible so that the owner's account can be updated and reminders can be issued per this procedure.
- 16)** The Association will monitor and set targets for its performance in relation to factoring arrears recovery. Arrears recovery targets will be set annually at the budget-setting stage and monitored on a monthly basis.
- 17)** There should be no write-off of former owner balances without the express authorisation of the Finance, Staffing & General Purposes Sub-Committee. Should an amount be written-off, details will be kept on file for future reference/recovery.

Clydebank Housing Association
Factoring Arrears Flow Chart

