

Address:

7- 14 Great Dover Street London SE1 4YR

Helpdesk: 03333 21 30 30

Email: talktous@cds.coop

Former Tenant Arrears Policy

Title	Former Tenant Arrears Policy
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Author	Temi Awolaja
Approver	Board of Management
Applies to	Garage renters, inc. non-residents, & General Needs social tenants

This policy applies to all garage renters, including non-CDS residents, and all general needs social tenants. It does not apply to properties owned by clients, but clients may choose to adopt the policy.

1 Introduction

- 1.1 CDS policy for the management of *current* rent arrears is designed to maximise the recovery of rent arrears during the course of a tenancy and to avoid situations where arrears or other tenancy-related debt such as court expenses remain at the end of a tenancy.
- 1.2 However, it is inevitable that there will be instances where arrears are not recovered before the end of a tenancy. Any rent arrears which exist on the date the tenancy ends are then called Former Tenant Arrears (FTA) and this debt is held in a separate account.
- 1.3 CDS relies on rental income to keep homes in good repair and to provide services to residents. We always aim to collect all of the rent and service charges that are due to us in order to continue to invest in this way.
- 1.4 Tenants, homeowners and non-CDS residents can rent garages from CDS. We also aim to collect any arrears existing at the end of their licences.
- 1.5 Where rent is left unpaid at the end of a tenancy or garage rental, we will always take action to seek to recover the debt. We aim to do this in a clear and professional manner and using all of the tools available to us, as is appropriate in each case.
- 1.6 This includes the use of companies who trace people and who pursue debt. Former tenant debt will be considered for write off on the basis of value for money and/or on the basis that the debt has become truly irrecoverable.
- 1.7 We will notify other housing agencies of unpaid debt where we are asked for references or tenancy history.

2 Aims and objectives of the policy

- 2.1 The aim of this policy is to ensure that all former tenant arrears for tenanted properties and garages, along with court expenses, where applicable, are pursued effectively or written off, when appropriate.
- 2.2 In order to achieve this, we will:
- Monitor former tenant accounts regularly and review quarterly,
 - Make early contact with residents who have given us notice of the termination of their tenancy / licence to allow arrears and other housing-related debt issues to be addressed before the end of the tenancy / licence. This information will also be given to residents on the termination acknowledgement letter,
 - Notify other housing agencies of unpaid debt where we are asked for references or tenancy history.

3 Our approach

- 3.1 We are firm and fair in our pursuit of former tenant debt. This means that we will make every effort to obtain a forwarding address from all residents who are terminating tenancies or licences and we will make every reasonable effort to trace residents who leave without giving a forwarding address.
- 3.2 Our effort and costs will be proportionate to the debt but will usually involve at least two attempts to trace the customer and recover the debt during the first 6 months after the tenancy ends. Where the value of the debt is high and the customer is believed to have a reasonable ability to pay, we will usually pass the debt to an expert third party for pursuit for a further period of up to 6 months, where appropriate (these periods may change).
- 3.3 We will use a variety of methods to search for former tenants and will use the legal remedies available to us to collect monies owing to us. This will include seeking money judgements and the follow-up methods of enforcing a debt (such as attachment of earnings).
- 3.4 **Prior to the tenancy ending**
- When a tenant gives notice on their tenancy, a letter will be sent acknowledging this and giving details of arrears and other tenancy-related debt still outstanding.
 - We will attempt to obtain a forwarding address. Former tenants will be clearly informed that failure to repay the outstanding amounts may be taken into account, should they apply for a future tenancy with any Local Authority.
- 3.5 **After the tenancy ends**
- We will check if there is any other outstanding debt such as rent arrears, court costs or garage arrears.

- Officers may request exceptions to this policy based on special factors which might include special needs or vulnerability or irreversible inability to pay.
- Where there is a forwarding address, two reminder letters will be sent. The former tenant will be given advice and information on how to pay and whom to contact to make an arrangement to pay.
- If any former tenant wishes to pay by instalments, the Income Team will arrange a payment plan with them.
- Where a forwarding address is **not** known, reasonable efforts will be made to try to trace tenants, proportionate to the value of the debt.

4 Write-offs

4.1 We will write off debt where:

- i) It is deemed uneconomic to pursue the debt further
- ii) It is deemed impossible to pursue the debt further

4.2 The authority to write off debt will be considered by the Board of Management from time-to-time as part of its general delegations.

5 Staff training

Staff involved in the control of former tenant arrears will be adequately trained in relevant policies and procedures.

6 Equality and diversity

This policy will be applied fairly and consistently and will not directly or indirectly discriminate against any person or group in line with equality laws and principles.

7 Monitoring and compliance

- 7.1 This policy will be reviewed every three years, unless business or sector developments require otherwise, ensuring that it continues to meet its objectives and take account of good practice developments.
- 7.2 The CDS Board of Management receives a dashboard of key performance indicators which includes information about the amount former tenant arrears collected and the amount of former tenant arrears debt as a percentage of rent.
- 7.3 This monthly performance is also reviewed by the Senior Management Team monthly.

8 Confidentiality

- 8.1 CDS will retain former tenants' data in line with our Data Protection Policy.
- 8.2 CDS is committed to working in partnership with other agencies like DWP, Housing Benefit departments, local authorities' housing departments, social services and other relevant organisations in accordance with their local procedures and information sharing protocols. This is essential to enable these organisations to carry out their statutory duties.

9 Legislation and Regulation

This policy takes into account the following:

- The Equalities Act 2010
- GDPR & Data Protection 2018
- CDS Tenancy Agreements

10 Associated policies and procedures

The following procedures are associated with this policy:

- Former tenant procedure
- Rent arrears policy
- Rent arrears procedure
- Voids procedure

The policy is supported by:

- Data protection policy

Version control

Date	Amendment	Version control