

# Rent Collection Policy

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## 1. Introduction

- 1.1 The Rent Collection Policy covers the management of rent and service charge arrears for current tenants are a key part of our revenue. Therefore, minimising rent arrears is essential for us to provide high quality homes and services for our customers.
- 1.2 This policy sets out our approach to preventing and recovering rent and service charge arrears from our customers. Our rent collection approach focuses on sustaining tenancies through arrears prevention, support, early intervention and enforcement. We will only evict customers as a last resort where all other remedies have been unsuccessful.
  - We ensure our customers are secure in their homes, and no one will be evicted where they are actively engaging with us to tackle their arrears.
  - We are committed to supporting customers to access welfare benefit and other advice to alleviate financial hardship.
  - We will act with compassion, and will work with any resident who is struggling to pay rent to make arrangements that are manageable for them in the long term. Legal action will only be taken in serious circumstances or where all other remedial action has been unsuccessful.
- 1.3 This policy should be read in conjunction with the following:
  - Former Tenant Arrears Policy
  - Rent Setting Policy
  - Responsive Repairs Policy (in relation to rechargeable repairs)
  - Recharge Policy for Homeowners

## 2. Scope

- 2.1 This policy applies to all tenures including owned and managed by Peabody, including sheltered and supported accommodation, social housing set at an affordable rent; market rent properties and intermediate market rent properties. It also applies to freeholders, leaseholders, and shared owners.
- 2.2 This policy applies to Peabody and all subsidiaries (the Group).

## 3. Our approach

### Prevention and support

- 3.1 Our key approach to prevention is to encourage a culture where customers routinely pay their rent in full and on time. We are proactive in our approach to preventing arrears occurring and escalating. To meet this aim we:
  - Set rent levels to be as affordable as possible while complying with statutory and other government and regulatory standards covering rent setting, and linked to the individual tenures. More information can be found in our [Rent Setting Policy](#).

## Rent Collection Policy

- Offer a range of payment and contact methods tailored to our customers. This may include direct debit, payment card; Pay Point outlets; the Post Office; reoccurring payments; and debit/credit card.
- We will provide customers with access to online rent statements, printed rent statements on request plus welfare benefit and debt advice in relation to their rent account. Town and Country Housing cannot currently offer debt advice services.
- Carry out an affordability check for potential customers to make sure they can afford to live in the property they have applied for and identify customers who need financial advice and assistance.
- Address any issues raised in the risk assessment when we sign-up new customers to ensure that benefits are claimed, and payment patterns are established. This includes:
  - Collecting a minimum of one week's rent in advance, including initial payment when customers move into the property
  - Helping customers claim benefits in ways that meet their circumstances
- Contact new customers considered at risk of arrears within two weeks of the start of their tenancy to help establish payment patterns that will avoid arrears in future, including claiming their full entitlement to benefits.
- Provide welfare benefits and debt advice to customers to help manage money and ensure they are claiming their entitlements (Town and Country Housing cannot currently offer debt advice services). We may also refer customers with unmet support needs to other internal teams (e.g. tenant and family support, employment team, care and supported housing etc) or signpost to external provision.

3.2 Consideration will be given to the needs of an individual when we communicate with them. We will use a variety of contact methods to communicate with customers; these include letters, SMS, emails, telephone calls and face to face appointments.

### Early intervention

- 3.3 We will contact a customer by letter, telephone and/or SMS if they accrue at least one week of rent. If we fail to establish contact we will follow-up by another appropriate method of communication.
- 3.4 When sending letters, customers with a joint tenancy are contacted individually to make it clear they are both responsible for paying the rent, even where Universal Credit is paid to only one of the customers or one joint customer has left the property.
- 3.5 Our approach to rent collection will take account of our policy and procedures relating to the identification, assessment and recording of vulnerability. Where appropriate we will tailor our service to meet our customer needs and/or help them to access support.
- 3.6 We may agree a repayment plan with a customer who is unable to repay their rent arrears in full, providing they disclose details of their income and expenditure (Town and Country does not require these details). Our advice and engagement with individual customers will depend on their level of engagement with us.
- 3.7 We will try to work with the customer to resolve any arrears which are the result of a problem in claiming Housing Benefit or Universal Credit, including verification of whether a claim has been

## Rent Collection Policy

made. We may also pursue other options, including applying for an Alternative Payment Arrangement and/or Managed Payment, where we believe the customer's arrears are the result of vulnerability-related issues or as an alternative to possession action.

- 3.8 We may use analytical and predictive techniques on the data we have on our customers to implement a variety of focused collection strategies.
- 3.9 We assist customers to claim benefits through helping with the completion of application forms, providing benefits advice and signposting and referring customers for specialist advice on welfare rights and help to secure their entitlement.

### Enforcement

- 3.10 If contact is not made and/or the customer makes no reasonable payments or fails to agree or adhere to a repayment agreement, if arrears are greater than £500 (or 4-week's rent if higher), a Notice of Seeking Possession (NoSP) will be issued (this is a maximum level of arrear and NoSP may be served sooner). We will continue to seek to establish contact with the customer through all available contact details, including via phone or a face-to-face meeting.
- 3.11 Depending on the facts we may decide to serve Notice under Section 21 Housing Act 1988 or under Section 8 Housing Act 1988 using one of the Grounds for obtaining possession set out in Schedule 2 of the Housing Act 1988.
- 3.12 NoSP relying on Ground 8 can be used in conjunction with other grounds, but will only be used in the following circumstances:
  - Where a customer owes at least eight weeks of arrears;
  - Where a customer wilfully refuses to pay their arrears;
  - Where the customer refuses to communicate and cooperate with us;
  - Where arrears relate to a fraudulent Housing Benefit claim;
  - Where a customer has a history of making significant payments to clear their arrears immediately prior to us taking legal action;
- 3.13 Furthermore, use of ground 8 will not be considered in the following circumstances:
  - The customer is deemed to be vulnerable by the Collections Officer or subsidiary equivalent;
  - The customer is cooperating with us to reduce their arrears;
  - The customer has provided evidence to confirm they have submitted a Housing Benefit or Universal Credit claim and have provided the correct information as part of their claim;
  - The rent arrears have been caused by a delay in processing the Housing Benefit or Universal Credit claim.
- 3.14 Possession proceedings for rent arrears will not be started against a customer who can demonstrate that they have;
  - provided the local authority/Department for Work and Pensions with all the evidence required to process a Housing Benefit claim/Universal Credit claim and the claim has a realistic prospect of success;
  - and paid other sums due not covered by Housing Benefit/Universal Credit.

## Rent Collection Policy

- 3.15 Where we have staff qualified to do so, we will consider whether a customer who is particularly vulnerable has the mental capacity to understand legal proceedings – if they do not, we will make an application for the appointment of a litigation friend.

### Possession

- 3.16 We will invite a customer to a pre-eviction interview prior to executing a warrant of possession. (Town and Country Housing mostly does not currently offer a pre-eviction interview).
- 3.17 We may apply for a warrant of possession if a customer continues to breach the terms of their court order or agreement.
- 3.18 We may execute a warrant of possession unless a customer repays all of their arrears in full.
- 3.19 We may postpone possession proceedings if a customer successfully makes a debt relief order, bankruptcy order, an individual voluntary arrangement, or a Breathing Space (standard or mental health) order.
- 3.20 We may seek possession of a property (based on the total amount of arrears owed) if a customer accrues further arrears once a debt relief order, bankruptcy order, individual voluntary arrangement or a Breathing Space (standard or mental health) order has been agreed.

### Writing off arrears

- 3.21 Decisions to write off customers' debts, or credits, will only be considered in exceptional circumstances, such as bankruptcy or debt relief orders.
- 3.22 We retain the right to write back to accounts where we have new information which indicates that the customer has made false statements or misrepresented their financial, health or other position relevant to the decision to write off.

### Resident Engagement

- 3.23 Collections Officers (or subsidiary equivalent) will always attempt to engage with customers regarding issues relating to their rent accounts by using several different contact methods, which may include; telephone calls, letters, emails and SMS. Where there has been no contact or engagement with the Collections team (or subsidiary equivalent), or other areas of the business, such as reported repairs for 12 months or more, a Welfare Concern will be raised to the Resident Safety and ASB Hub (or local equivalent) to investigate and determine the customer's whereabouts and circumstances.
- 3.24 Additionally, a Welfare Concern will also be raised where;
- A customer with known vulnerabilities stops engaging,
  - A customer stops paying their rent with no warning and is not engaging or contactable, e.g. payment normally received by direct debit all of a sudden starts to be unpaid and customer does not respond to contact attempts.
- 3.25 Before we make an application for direct deductions from a resident's Universal Credit for either the rent element and/or rent arrears from the Department for Work and Pensions (DWP), the Collections Officer (or subsidiary equivalent) will attempt to call the resident to discuss the

## Rent Collection Policy

application and the rent arrears, offer Financial Inclusion support (or subsidiary equivalent) and/or a referral to the Employment team.

- 3.26 Where the Collections Officer (or subsidiary equivalent) is unable to speak with the customer, the telephone call will be followed up with a letter advising the resident of the rent arrears and that an application to make a direct deduction will be made after 7 days and to make contact with the Collections team (or subsidiary equivalent) to discuss and to make any relevant support referrals.

### Other

- 3.27 We will transfer credit between a rent account and a sub-unit account to offset debt owed by a customer – we may notify a customer in writing to confirm when credit has been transferred, and will issue remaining credit by BACS payment when requested.
- 3.28 We may apply for a Possession Order for the breach of tenancy due to non-payment, and a money judgement at court to recover arrears which accrue following a debt relief order, bankruptcy order, individual voluntary arrangement or a Breathing Space (standard or mental health) order being agreed.
- 3.29 Where a Breathing Space order is granted, all contact with the customer in respect of the debt covered by the order will cease for the duration of the order, unless the customer approaches us to discuss it; 60 days for a standard order and 90 days for a mental health Breathing Space order. If the customer fails to maintain ongoing rent payments, the relevant insolvency practitioner will be notified who may agree to terminate the order earlier.
- 3.30 We will apply to the relevant deposit protection scheme at the end of a market or intermediate market rent tenancy to recover all or part of a deposit where there is damage to the property, missing items, cleaning required or unpaid rent.
- 3.31 We may terminate a licence agreement relating to a sub-unit if a customer fails to address their arrears once the notice to quit is effective.
- 3.32 Where a customer has more than one month's credit on their rent account, we will refund the money if the customer requests this, or the sum will be recovered by the customer not paying rent until the credit is used up.
- 3.33 No refund will be made unless a full audit of the rent account confirms that such a credit exists and whether it is owed to the customer or the benefits agency.

## 4. Equality, Diversity and Inclusion

- 4.1 Identifying customers who may be vulnerable is key in the prevention of rent arrears and making sure that we do not take legal action inappropriately, offering appropriate support where possible.
- 4.2 Colleagues are aware of the 'Language Line' translation service and are encouraged to use this. Customers are aware through all correspondence that translation services are available. More information can be found in our Equality, Diversity and Inclusion Policy.

## Rent Collection Policy

- 4.3 Key actions, including possession action and eviction are approved by managers at a suitable level of seniority to ensure that actions taken are appropriate (subsidiaries may set their own sign off levels as part of local procedures).

### 5. Legislation and Regulation

- 5.1 The following legislation applies to this policy:
- Housing Act 1985
  - Housing Act 1988 and 1996
  - Protection from Eviction Act 1977
  - Pre-Action Protocol for Possession Claims by Social Landlords

### 6. Responsibilities

- 6.1 Finance Director: Collections, Partnering & Transformation has overall responsibility for the delivery of, and compliance with, this policy.
- 6.2 For Town and Country Housing, the Director of Operations has overall responsibility for the delivery of, and compliance with, this policy.
- 6.3 The Assistant Director: Collections (or subsidiary equivalent) is responsible for the operational delivery of and compliance with this policy. This includes responsibility for colleague awareness, training, communication to customers, monitoring and reviewing the policy.

### Approval

<b>Version number</b>	2.1
<b>Effective from</b>	11 August 2025
<b>Policy owner</b>	Finance Director Collections, Partnering & Transformation