



COPPERWORKS
Housing Association

COPPERWORKS HOUSING ASSOCIATION

Factoring Debt Recovery Policy

March 2020

**IF YOU WOULD LIKE A COPY OF THIS POLICY TRANSLATED OR IN AN OTHER FORMAT,
FOR EXAMPLE, IF YOU REQUIRE IT IN BRAILLE OR IN AUDIO PLEASE LET A MEMBER OF
STAFF KNOW YOUR REQUIREMENTS**

COPPERWORKS HOUSING ASSOCIATION LTD

FACTORING DEBT RECOVERY PROCEDURE

INTRODUCTION

Copperworks Housing Association is responsible for the general management and administration of the common property within various blocks of flats. Copperworks will prepare and issue invoices and collect payments from owners for common repairs, maintenance and the general management of the block. Where owners have failed or delayed making payment, Copperworks Housing Association must have an effective policy in place to recover sums due.

PRINCIPLES

Copperworks Housing Association aims to provide an efficient factoring service for owners in factored properties.

Copperworks Housing Association will maximise use of resources available to recover arrears due, to ensure the level of debt is minimised in a sensitive but effective manner, applying consistency where possible.

DEBT PREVENTION

Copperworks Housing Association is committed to preventing debt and we will adopt a supportive approach to our residents placing an emphasis on prevention, assistance and co-operation. Copperworks Housing Association will ensure that factored owners are aware of advice sources that are available when arrears arise e.g. financial capability services offered by the Association. Copperworks Housing Association rely on residents to inform them if they encounter financial difficulties and are unable to make payments of sums due.

ISSUING INVOICES

The Finance Assistant will issue invoices to all owners 6 monthly. Invoices will be normally be issued in April and October each year.

The invoices will contain all apportioned costs incurred in the previous 6 months, along with the 6 monthly amount due for the management fee and building insurance.

Some owners may choose to pay by monthly instalment instead of receiving a Bi-annual bill. Statements will also be issued twice per year.

COLLECTING PAYMENTS

Invoices are issued with a 28 day payment period and should be paid in full.

If payment remains outstanding after 28 days a reminder letter will be sent. Failure to pay within a further 14 days will result in a house visit by the Finance Assistant.

Failure to respond after 7 days of the house visit will result in alternative methods of collection being considered, this may include:

- Sherriff Officers being instructed
- Arrestment of Bank Account
- Arrestment of wages
- Arrestment of rental income if the property is sub-let

DEBT MANAGEMENT

Where a factoring account has fallen into arrears, Copperworks Housing Association will offer factored owners the opportunity to enter into a repayment arrangement to allow the arrears to be paid in instalments over a period of time. Repayment arrangements will also require a commitment to honour on-going charges. Where Copperworks Housing Association are aware of owners that are unable to meet on-going factoring charges, they will provide advice and assistance to owners on debt counselling, money advice and support organisations.

DEBT RECOVERY

Copperworks Housing Association will seek to tackle arrears recovery at the earliest opportunity. We are committed to effective debt recovery which will be based on a consistent approach to each case.

Factoring Invoices will be due for payment within 28 days from the date of issue.

If payment remains outstanding after 28 days a reminder letter will be sent. Failure to pay within a further 14 days will result in a house visit by the Finance Assistant.

Failure to respond after 7 days of the house visit will result in alternative methods of collection being considered. This may include:

- Arrestment of Bank Account

- Arrestment of wages
- Arrestment of rental income if the property is sub-let
- Notice of Potential Liability for Costs over the property setting out that a debt is due. This may affect/restrict the factored owners' ability to sell their property.
- Sequestration

If no payment or contact has been made after 7 days from home visit the Association – may instruct solicitors to issue a 7 day notice letter, this will advise owners they have 7 days to clear the account or court action will be initiated.

Once a recovery action commences, legal costs will accumulate and all such accrued costs will be added to the debt owed by the factored owner.

LEGAL ACTION

If decree is granted, in full and payment (inclusive of legal costs) is still not forthcoming, either by one-off payment or by means of an agreed repayment arrangement, Sheriff Officers will be called upon to carry out debt enforcement action. This may include:

- Arrestment of Bank Account
- Arrestment of wages
- Arrestment of rental income if the property is sub-let
- Notice of Potential Liability for Costs over the property setting out that a debt is due. This may affect/restrict the factored owners' ability to sell their property.
- Sequestration
- Any other legal means to ensure recovery.

7. FORMER OWNER DEBT

Every effort will be made to recover debts from former owners. If necessary, tracing agents, sheriff officers and debt collection agencies will be used to trace debtors and to recover outstanding sums.

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