Policy title	Rent Arrears Policy
Summary	MSV aim to maximise rental and service charge income to maintain effective service provision to all customers and financial viability.
Scope	To ensure that Mosscare St Vincent's Housing Group's (MSV) rental income is maximised to sustain financial viability of the business, whilst adhering to regulatory frameworks and contributing to tenancy sustainment. This Policy applies to MSV's General Needs and Later Living properties.
Author & Job Role	Shaheen Yousaf, Income & Financial Resilience Manager
Directorate	Customers & Communities
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Consultation	

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1. Introduction/Policy Purpose

MSV aim to maximise rental and service charge income to maintain effective service provision to all customers and financial viability.

The collection of rent and service charges are a priority for MSV and we aim to create and embed a payment culture with our customers. We seek to build financial resilience in our communities and will ensure that customers are supported to manage and maximise their income and have the ability to pay their rent.

MSV is committed to the prevention of arrears through early, preventative action and this will have a positive impact in the prevention of homelessness and sustaining tenancies

The rent arrears process MSV will follow will be effective and efficient to ensure resources are maximised and that arrears are pro-actively managed. MSV will adopt a firm but sensitive and supportive approach to income recovery and be proactive in taking preventative action to avoid the accrual of high arrears.

It is MSV's objective that the whole organisation has a one team approach in the prevention of arrears and early intervention.

MSV recognises that customers can get into difficulties through an inability to pay their rent and that there is only a small minority who will willfully refuse to pay. MSV will tailor actions to the individual circumstances of the customer and will take a firm approach to those who refuse to pay.

MSV's objective is to help and support all our customers who may need advice and support to enable them to effectively manage their rent account and therefore measures will be put in place to assist customers in maintaining a clear rent account as follows:-

- Advice and guidance on paying rent, including claiming benefits and general advice will be available to all customers to ensure that income is maximised and to facilitate the payment of rent due.

- MSV will encourage all customers to pay by direct debit due to its ease and cost effectiveness, in addition to this we will offer a wide variety of payment methods for customers to utilise.

- MSV will ensure customers have access to their rent account via their Self- Service Portal. Rent statements will also be available on request to enable customers to manage their tenancy.

- Where a customer is identified as having a potential vulnerability or support need, which may affect their ability to pay the rent, we will ensure that these needs are fully considered and will work with internal teams and external partner agencies where applicable and available throughout the income recovery process.

- MSV will ensure that there is an audit trail for all actions carried out in

line with this policy.

2 Scope/Description of the Policy

2.1 Prevention of arrears

MSV believes that customers should have the best possible start to their tenancy. MSV will ensure pre-tenancy work is undertaken to assess affordability and the customer knows the importance and their responsibility of paying their rent.

Prior to the tenancy sign up all customers are encouraged to make an advance rental payment according to their payment cycle e.g, one week's rent if going to pay weekly or a month in advance if they are going to pay monthly. Allocations Officers have discretion if they feel the new customer cannot pay/partially pay the required amount prior to the tenancy sign up, they will arrange for a realistic instalment arrangement to be set up, payable to MSV. We will encourage new and existing customers to make a regular payment, that is proportionate and affordable, to bring their rent account into advance according to their rent payment cycle.

2.2 Payment Culture

We aim to create and embed a payment culture with our customers. We seek to build financial resilience in our communities and will ensure that customers are supported to manage and maximise their income and have the ability to pay their rent.

2.3 Banking Offer

MSV is committed to supporting customers who may not have access to a bank account and will, where appropriate, signpost them to relevant services for assistance in setting one up.

2.4 Arrears Recovery

MSV will adopt the following principles in the recovery of current rent arrears outstanding:

- Rent arrears recovery will be based on a preventative approach, with a staged escalation process.

- All action for the recovery of rent arrears will be prompt. Customers who fall into arrears will be identified quickly and in accordance with agreed procedures and guidelines.

- Legal action may be taken for the recovery of unpaid rent arrears if the customer refuses to set up or breaches any arrangement to pay or does not engage with MSV in reducing their arrears.

- Customers will be advised prior to any and each action that is taken, so that they are fully informed of the process and any implications of action taken.

- Checks will be made on accounts where an existing Notice of Seeking Possession (NOSP) is due to expire, any account where the rent arrears are still more than 4 weeks in value & no court order has been gained, a new NOSP will be re-served to maintain the rent account in line with the rent arrears process. In these circumstances the customer will be notified of this action with an explanation as to why.

- Any court costs awarded by the court in relation to rent arrears will be added to the customer rent account.

- Court Orders will be monitored closely. Any rent accounts where the account is in arrears and the court order is due to expire. MSV will exercise their discretion and depending on the arrears may consider applying to the Courts for an extension of the Order.

- Eviction will be pursued as a last resort where a customer: fails to comply with any grounds of possession in the Court Order, fails to respond to attempts by MSV to provide them with support or fails to engage with MSV.

- Costs incurred in the pursuance of legal proceedings will be recharged to the customer

- For Supported Housing the collection of rent for direct tenants will be based on the arrears recovery process with flexibility due to support needs of the customers. Where we have managing agents in Supported Housing they are invoiced by Finance, and any performance is monitored by the Supported Housing Team.

2.5 Debt Respite Scheme (Breathing Spaces)

Breathing Space is a government scheme that gives people in problem debt temporary legal protection from creditor action. It lasts 60 days or longer if you're receiving mental health crisis treatment, and it pauses most interest, fees, and enforcement. It's set out in the **Debt Respite Scheme Regulations 2020** and must be accessed through a registered debt adviser.

There are two types of Breathing Space:

- **Standard Breathing Space**: Available to anyone receiving debt advice, this offers a 60-day period during which most interest, fees, and enforcement actions are paused.
- **Mental Health Crisis Breathing Space**: Specifically for individuals undergoing mental health crisis treatment, this lasts for the duration of the treatment plus an additional 30 days. It provides stronger protections than the standard scheme.

Where a customer has entered into Breathing Space (Standard or Mental

Health Crisis)

MSV will suspend arrears actions for the prescribed protected period. For Standard Breathing Space this can be up to 60 days. For a Mental Health Crisis Breathing Space this will last for the duration of the mental health crisis treatment plus 30 days. During Breathing Space, the customer is still legally required to pay their ongoing rent charges until the completion of the scheme.

A Suspended Possession Order for rent cannot be enforced in the moratorium period, provided the debt was included in the application. However, Breathing Space doesn't stop liability for ongoing payments and/or payments under the SPO should still be made. If the payments are not made, MSV may enforce the Order at the end of the moratorium period.

If court proceedings were applied for before the start of the Breathing Space MSV will adjourn the matter until after the Breathing Space has ended.

Customers can enter Breathing Space at any time during the debt and MSV will suspend any action for the prescribed protected period.

2.6 Legislation

MSV will only use Grounds 10 and 11 (Schedule 2, Housing Act 1988) for rent arrears which are discretionary grounds and give the Court discretion to make a court order.

In all cases where MSV is aware that a customer is particularly vulnerable, it will be considered at an early stage:

i. Whether or not the customer has mental capacity to defend Possession proceedings;

ii. Whether any issues arise under the Equality Act 2010.

2.7 Housing Benefit & Universal Credit

MSV recognises that a proportion of its customers are dependent on benefits to assist with meeting their rent charges. Benefit claims remain the responsibility of the customer and MSV will support the customer in liaising with the Housing Benefit Department/Department of Work and Pensions and ensure their rental commitment is adhered to.

Customers, who receive housing benefit/housing costs, will be encouraged to pay a regular payment, which is proportionate and affordable, to bring their rent account into 4 weeks in advance.
Customers who receive Universal Credit will be encouraged to pay a regular payment, which is proportionate and affordable, to bring their rent account into a month in advance.

2.8 Eviction

MSV regards eviction as the last resort. Permission will be sought from the court to apply for a warrant. A home visit will be made where possible by a Manager or the Head of Service to discuss the customer's circumstances and rent arrears. The application must be approved by the Head of Service and relevant Director.

2.9 Debt Relief Orders/Bankruptcy

Where a customer has obtained a Debt Relief Order or a Bankruptcy Order, MSV will use its discretion and may make an application for Possession. This will be considered on a case-by-case basis and the decision to proceed must be agreed by the relevant Head of Service/Director.

2.10 Rent Accounts in Credit

It is recognised that customers will, on occasion, overpay their rent leaving a credit balance beyond what would be expected under the terms of their tenancy and this may need to be paid back.

MSV aim to process all refunds within 28 days of the request, ensuring all relevant checks are carried out and evidence is collected, prior to submission for payment. In all cases where a credit has built up on a customers' account it is essential that the reasons for the accrual of this credit are investigated and identified to ensure that the credit is genuinely owed to the customer and that;

- There is no indication or suspicion of money laundering.
- Advanced payments are not refunded in error.
- There are no housing benefit overpayments that have led to the credit.
- There are no changes in benefits likely to impact on the customers' account
- The customer is not misled into believing they are entitled to money back.

Once these checks have been completed and Officers are satisfied that a refund is owed, the customer's identity and bank information will need to be verified in order that the payment can be made directly into the customers' account.

2.11 Direct Debit Indemnity

Where MSV identify / is alerted to a direct debit indemnity claim relating to rent payments made via direct debit, urgent checks will be undertaken on the same day of notification. Where a direct debit indemnity claim by a customer leads to rent arrears of the value of 4-weeks or more, we take the following approach:

<u>Where there is no current Court Order in place:</u>

- Visit the customer on the same day of the notification.

- Hand-deliver a Notice of Seeking Possession.
- Request immediate re-payment of the rent arrears owed.
- Challenge the Direct Debit Indemnity.
- Reserve the right to refuse future Direct Debit payments and insist on Standing Order.

Where there is a current Court Order in place:

- Visit the customer on the same day of the notification.
- Request immediate re-payment of the rent arrears owed.
- Apply to Court to enforce the order and seek Possession of the home.
- Challenge the Direct Debit Indemnity.
- Reserve the right to refuse future Direct Debit payments and insist on Standing Order.

In all cases, we consider the circumstances of the customer, any safeguarding or domestic abuse considerations, and undertake an internal review before proceeding with action to seek Possession.

In these circumstances, we continue to comply with pre-action Protocol before issuing any claims to Court and engage extensively with customers to resolve the situation through early intervention.

3 Roles & Responsibilities

3.1 Low level rent arrears (stages 0 to 4) will be the responsibility of the Income Officer

3.2 High level rent arrears (stage 5 to 11) will be the responsibility of the Neighbourhood Officers (NO)

3.3 Later Living Income Officer /Later Living Manager are responsible for all stages in rent collection at the Later Living Scheme, Extra Care, HAPPI and Category 1 schemes

3.4 Income Officers/Neighbourhood Officers/Later Living Income Officer /Later Living Manager are responsible for managing the accounts that are in credit.

3.5 Scheme Co-Ordinators – are responsible for assisting with rent queries for later living customers.

3.6 Everyone working on rent arrears will adhere to all the related processes and create a payment culture enabling customers to sustain their tenancy and reduce the risk of eviction.

3.7 Customer Communication Team to take payments for rent.

3.8 Neighbourhood, Later Living and Income & Financial Resilience Teams roles are to support customers to maximise their income enabling them to sustain their tenancy and reduce the risk of eviction.

3.9 Allocations & Housing Options Team carry out pre-tenancy work

alongside the Neighbourhood, Later Living and Income & Financial Resilience Teams to ensure customers can afford a property with MSV, if not and where possible signpost to other appropriate agencies for rehousing.

3.10 Neighbourhood and Later Living Income Officers are responsible for carrying out relevant checks where there is a credit on the account and the Income Team are responsible for processing the credit refund.

3.11 MSV has a 'Rent First' ethos in relation to the prioritisation of rent payments above other debts. This includes a menu of options for customers to pay their rent and maximising opportunities for MSV in taking payments. All colleagues of MSV have a responsibility to promote this ethos.

3.12 All staff must ensure all attempted contacts with a customer are recorded and relevant documents are available on the housing and document management system. This is to ensure any legal action is presented with the full audit trail of a case. Failure to provide this has a compliance and financial impact on recovery of rent arrears.

4 Monitoring, Review & Evaluation

This policy will be reviewed every 2 years or more frequently if there is a significant change in legislation/operation.

Key performance indicators will be reported to Board and Customer and Communities Committee and will include the following areas:

- Rent Collection
- Rent Arrears
- Evictions

5 Related Documents

5.1 Allocations Policy & Procedure

5.2 Starter Tenancy Procedure

5.3 Tenancy Termination

5.4 Rent Arrears Procedure

5.5 Abandonment Procedure

5.6 Decant Policy and Procedure

5.7 Mutual Exchange Policy and Procedure

5.8 Succession Policy & Procedure

5.9 Former Tenant Arrears Policy & Procedure

6 Version History

6.1 This should keep a track of each iteration of the document and the reason for change. Please follow the guidance above and also refer to the example below**:**

Version	Date	Description/Summary	Status	Author
1	24/8/2018	New Rent arrears policy / procedure	Void	TFB
2	01/04/2022	Amended Rent Arrears Policy	Live / Current	SY
3	18.08.25	Amended Rent Arrears Policy	Draft	SY
4	16.09.25	Approved	Live/Current	SY

7 Appendices

7.1 Equality Impact Assessment

Appendix 7.1 – Equality Impact Assessment

EQUALITY IMPACT ASSESSMENT

Name of Policy	Rent Arrears Policy	
Date of Assessment	August 2025	
Name & Role of Assessors	Shaheen Yousaf, Income & Financial Resilience Manager	
What are the desired outcomes of the policy?	To ensure that Mosscare St Vincent's Housing Group's (MSV) rental income is maximised to sustain financial viability of the business and support tenancy sustainment.	
Who are the main stakeholders in relation to the function?	Customers, applicants, staff, partner agencies and board	
Who will be consulted and what types of consultation will be carried out?	Staff, Scrutiny Panel, Committee.	
Summarise any evidence considered	Regulatory framework for collection of rent arrears. Housing Act 1988, Pre Action Protocol for rent arrears and legal action. Increase in cost of living impacting on customer ability to pay their rent. Continuing migration of benefits to Universal Credit.	
Could the function have a differential impact on:		**What evidence exists to support your analysis?**
	Yes / No	
Race Consider language and cultural factors	Yes	We work in diverse communities where English is not the first language.

Gender reassignment Consider people pr oposing to or have undergone a process of having their sex reassigned.	No	
Disability Consider physical, visual, aural impairment, mental, learning difficulties	Yes	Accessibility maybe an issue for those who are housebound or with severe disability. Customers with mental health issues may struggle with their rent payment and access to Benefits.
Age Consider Elderly or young people	Yes	Elderly people may be more likely to live alone as family move out and be under-occupying / subject to bedroom tax? Data shows older people are more likely to be digitally excluded too, so could struggle with migration to UC and online journal requirements.
Sexuality Either know or perceived	No	
Gender	No	
Religion or belief Consider religious or cultural observance including non-belief, practices of worship	Yes	At the time of religious festivities customers more likely to get in arrears.
Other protected or vulnerable characteristics: • marriage or civil partnerships • pregnancy or maternity?	No	

If the answer is NO to <u>all</u> questions and no differential treatment has been found there is no requirement for a full Equality Impact Assessment. Please go back regularly and review the cycle.
If the answer is YES to any of the questions, please complete the rest of the form.

In what areas could the differential identified be considered to have an adverse impact in this function and what solutions will be introduced to overcome these adverse impacts?	Information is written as far as possible in plain English. We will provide information to customers in other formats and languages where required. Availability of language line to address translation issues. Front line staff with valuable language skills.
In what areas could the differential identified be considered a positive impact in this function and what strategies will be introduced to safeguard and spread these positive impacts?	Supporting customers to maximise their income and help into work and training so they can pay their rent. Support customers with their budgeting and debt concerns. Different ways to pay rent. Officers will visit customers in their home if requested. Access to digital services. Rent statements sent out on request. Access to rent account via the Self Service Portal.Additional steps for customer engagement. Identify customers who have issues with reading and writing.

Which Action Plans have these solutions/strategies been transferred into?	MSV's Welfare Action Group
Who will be responsible for monitoring these Action Plans?	Head of Neighbourhoods/Director of Neighbourhoods