

# Income Collection and Arrears Policy

## August 2024

### Version Control:

Version	Date	Author	Owner	Approver	Approved on	Next review	Comments
1.0	August 2023	Director of Property Management	Director of Property Management				
2.0	August 2024	Rachael Swales, Director of Property Management	Rachael Swales, Director of Property Management	Resi Customer Committee	24 September 2024	September 2026	Updated with review due



## 1. Introduction

Heylo Housing Group Limited (HHGL) is the parent company of the Group, which includes Heylo Housing Registered Provider Limited (HHRP) and a number of property owning investment vehicles (Pods) (collectively referred to in this policy as 'Heylo'). Heylo currently provides two different Shared Ownership products – Home Reach and Your Home.

All customer facing services to Heylo customers are provided by employees of ResiManagement, a separate, but commonly controlled company.

Heylo's customers are usually responsible for the following charges under their lease:

- Rent on the share not purchased
- Service charges
- Insurance Premiums
- Management/administration fees

All rent and charges should be paid on time and in line with the terms of the lease.

## 2. Purpose

This policy sets out Heylo's approach to rent collection and dealing with the recovery of arrears and former arrears.

Heylo endeavours to make early contact with customers when arrears occur to understand their circumstances, offer advice and assistance and prevent arrears increasing to a level where legal action is required. Appropriate action will be taken against those who won't pay.

## 3. Legislative and regulatory framework

Heylo complies with all current statutory and regulatory requirements relating to debt and arrears recovery including, but not limited to:

- Data Protection Act 2018
- Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020
- Equality Act 2020
- Housing Act 1988 (as amended by the Housing Act 1996)

Responsibilities of rent and other payments are detailed in a customer's lease.

## 4. Preventative Measures

Customers are encouraged to comply with the payment terms within their lease by our teams:

- Explaining and helping customers to understand their rights and responsibilities to pay rents and other charges
- Making customers aware of future rent/mortgage increases and how this may affect affordability in future
- Making early contact with customers to ensure payments are complete and regular
- Ensuring customers have appropriate information on where to seek help and advice should they fall into financial difficulty

## 5. Income Collection

Rent and other charges are due to be paid in line with the terms of the lease. The payment date is usually the 1<sup>st</sup> day of the month.

Details of rent and lease management fees are contained in the lease and reviewed annually through the rent review which is also detailed in the lease. Customers are informed of any rent reviews in writing. Under the terms of the lease, rent must be paid in equal monthly payments in advance.

Service charges are either payable to a third party management agent or Heylo. Where service charges are payable to Heylo, Heylo will pay service charges directly to the management agent and collect the service charge from the customer in arrears. The total amount payable in any billing period will not exceed the amount Heylo is billed by the management agent.

## 6. Arrears Recovery

Heylo are not authorised to provide any form of financial or debt advice.

Non-payment of rent, ground rent, service charges, insurance and/or the lease administration fee will be pursued as a breach of the lease.

A consistent and robust process will be followed for all arrears cases, with clear communication to customers regarding current arrears balances, agreements of how and when a payment will be made and action that Heylo will take should payment not be received.

Clear and detailed case management notes and evidence of communication will be retained.

Heylo will try to establish contact with a leaseholder who owes rent and/or service charges to explore options for repayment before taking legal action, including a referral for benefits and money advice. Action to forfeit the lease will not be taken if a customer is withholding charges while a reasonable challenge or dispute is outstanding.

Where appropriate, repayment plans will be made with customers. These will be:

- In addition to regular monthly payments
- Realistic for the customer to afford
- Over the shortest period which is reasonable
- Not usually longer than 6 months except in exceptional circumstances at Heylo’s discretion

For all agreed payment plans, a signed agreement is to be completed with the customer as a sign of commitment, and clarity for both parties, and a formal record of what has been discussed and agreed. If a customer breached the terms of the payment plan, communication will be made with them to determine the reasons for the breach and an appropriate adjustment made accordingly.

7. **Debt Respite Scheme (Breathing Space)**

When Heylo is notified that arrears have been placed into the Debt Respite Scheme, contact with the customer regarding the arrears will cease with immediate effect. All communication regarding the arrears should be with the debt advisor handling the case whose details will be provided in the Debt Respite Scheme Notification document.

If Heylo has already begun legal proceedings the legal advisors should be contacted to inform them of the breathing space and all action should be stopped until the conclusion of the scheme. At the end of the scheme the case should be reassessed and appropriate action taken.

8. **Reporting and Monitoring**

Key performance indicators are reported to Board quarterly.

9. **Review**

We will review this Policy regularly to address legislative and regulatory change, and best practice or operational issues.

Policy approval date:	24 September 2024
Policy review date	24 September 2026
Lead team	Property Management
Level of authorisation required (for review):	ResiManagement Customer Committee