Former Tenant Debt Policy

Board Approved 23 February 2022

Next Review February 2025

1. Introduction

Each year Homes for Life Housing Partnership (HfL) has to consider what debts have been left behind by tenants when they have vacated their properties and decide which of these are still recoverable and which should be considered as "bad debts" and therefore "written off" i.e. no longer actively pursued. Arrears in this policy refers to both rent and recharges.

The Senior Housing Officer will monitor the former tenant rent arrears accounts and recharges on a quarterly basis, in an effort to establish whether or not the former tenant arrears can be recovered from the former tenant, if there are forwarding address.

Former tenant arrears can accrue as a result of tenants abandoning their properties, being evicted, on the death of a tenant or if the tenant terminates the tenancy but does not leave a forwarding address.

The aim of this policy is to address this issue.

No Former tenant arrears are written off until all avenues for recovery have been exhausted.

If a former tenant re-presents to HfL at a future date, they will be pursued for the arrears, even if it has previously been written off. The arrears that were previously written off in these circumstances will be re-instated and the former tenant pursued.

2. Categories of Debt

There are various categories used for considering former tenant write off and they are detailed below:

a. All bad debts of less than £100 will be written off, unless the former tenants have transferred to another HfL property;

b. Any debt remaining following the death of a former tenant will be written off, unless there is an estate, or the family are willing to settle the debt;

c. Abandonments will be written off, unless we subsequently are able to trace them;

d. Tenant evictions are written off, unless we subsequently are able to trace them;

e. Debts owed by former tenants, where there is no forwarding address, will be written off, unless we subsequently are able to trace them;

f. Debts owed by former tenants where mail has been returned as no longer living at this address will be written off;

g. Discretionary write offs such as where a tenant has moved to a care home, has terminal cancer and is in a hospice or receiving end of life care. This category of write off must be approved by the Senior Officer prior to be presented to the Board for approval.

3. Pursuing Former Arrears

Every effort will be made by staff where a forwarding address is known to pursue the debt and encourage payment, even by instalments. However, there is a point when it is not cost effective to take further action.

This may be done internally or by employing reputable debt collection agencies where the debt is in excess of £500 to trace and make arrangements with the former tenant to pay off the debt over a period of time depending on the specific circumstances.

On the death of a tenant often the solicitor or the family of the deceased will settle outstanding balances. If there is an estate HfL will contact the family or solicitor providing details and a former tenant statement of all monies outstanding.

As previously stated HfL reserves the right to re-instate the debt should the whereabouts of the former tenant become known.

Former tenants must settle any outstanding debt (including any re-chargeable repairs) or make an arrangement to clear the debts by instalments. This arrangement must be kept up to date for at least 12 weeks before being re-admitted on to the Association's waiting list.

4. Authority to Write Off Debts

The Senior Housing Officer will liaise annually in February with the Finance Agent to discuss the potential write-offs with a view to writing off the debts in March each year before the financial year end.

A former tenant write-off report will be produced by the Senior Housing Officer and presented to the Board for Approval.

Once approved the Senior Housing Officer will arrange for the write offs to be processed through SDM.

5. Policy Review

This policy shall accordingly be reviewed every three years in conjunction with any procedural changes.