Former Tenant Arrears and Sundry Debt Policy

Date of Approval: May 2026

Policy Author: Marc Robins, Housing Manager, Income

Policy Lead: Sara Bennett, Head of Housing

Date of next review: May 2029

You are advised that a printed version may not be the latest available version. The latest version, which supersedes all previous versions, is available on the Brighter Places Policy Index Sheet. Those to whom this policy applies, are responsible for familiarising themselves with the latest version and for always complying with the policy requirements.

Should colleagues require any reasonable adjustment to allow for engagement with this document please contact the policy lead

Contents

1. Policy Statement / Purpose 3
2. Commitment 3
3. Linked Documents 3
4. Legal and Regulatory Compliance 4
5. Policy Detail 4
    5.1. Introduction and scope 4
    5.2 Prevention and early contact 4
6. Training Requirements 7
7. Monitoring and Review 8
8. Data Protection 8
9. Equity, Diversity and Inclusion 9
10. Summary Roles and Responsibilities 10

1. Policy Statement / Purpose

Successful management of income collection prevents customers from falling into arrears, maximises their income and supports tenancy sustainment.

Our approach supports our customers to meet their responsibilities and is responsive to changing customer needs.

On rare occasions customers will leave a Brighter Places tenancy owing money. This could be rent arrears, court costs, and/or rechargeable repairs.

This policy sets out Brighter Place's approach to collecting money owed to us from former customers. It applies to former named tenants, shared owners and leaseholders of Brighter Places (and its legacy organisations), who have ended the agreement with an outstanding debt.

The aim is to maximise Brighter Place's income and protect it from bad debt.

2. Commitment

Brighter Places will uphold these principles in its approach to collecting money owed by former customers.

- Proportional and reasonable: any escalated action will be reasonable and will be necessary.
- Clarity: Brighter Place customers will be clear on their responsibilities, their rights and what service they can expect in the income collection process. Communication will be in plain language; we will avoid technical terms and jargon.
- Support: our collection process priorities personal contact with customers. We understand that debt can be complex and the extent to which it can impact on our customers' lives and their wellbeing. We will use contact with customers to identify wider debt issues and signpost to free debt advice.
- Legality: Brighter Places will adhere to housing law, pre-action protocol and best practice.
- Accessible: all customers will be provided with a range of payment methods, which suit customer needs.

3. Linked Documents

- Customer Income Collection policy
- Tenancy Policy
- Domestic Abuse Policy
- Debt relief order guidance

- Standing financial instructions
- Dormer Tenant Debt Collection Procedures - draft as at Mar 26
- Credit balance procedure

4. Legal and Regulatory Compliance

- Regulator of Social Housing: Value for money standard
- HMCTS: Money Claim Online (MCOL) user guide
- MOJ: Pre-Action Protocols – Civil Procedure Rules
- Data Protection Act 2018 and UK General Data Protection Regulation
- Human Rights Act 1988 and Equalities Act 2010
- Civil Procedure Rules 1998
- Consumer Standards – Tenancy Standard

5. Policy Detail

5.1. Introduction and scope

- Ensure consistency of approach.
- Clearly define what debt is uneconomical to collect.
- Continuation of the supportive and proportionate approach with which Brighter Places collects any customer monies owed.
- To ensure that all customers are treated fairly, consistently and transparently.
- To maximise debt collection whilst balancing escalating cases to court.

5.2 Prevention and early contact

Customers due to leave their tenancy with outstanding money owed to Brighter Places of over £10.00 will be contacted and visited wherever possible before they vacate the property to secure an arrangement to pay.

Once the customer has left their home, they will be contacted using a range of methods including, letter, telephone call, SMS / WhatsApp, email.

Brighter Places employs an escalated collection process; if there is either no contact, payment or repayment plan made with a former customer the case will move to the next stage of our collection process.

There are three stages / efforts to contact customer. If the customer fails to make and maintain a reasonable repayment plan the Income team will then give consideration to applying for a money claim.

We will take a balanced and proportionate approach to escalating accounts, taking into account the cost of collection balanced against likelihood of recovery.

We work with third party suppliers to assist with tracing former customers.

5.3 Intervention and support

Brighter Places understands that it is not always possible for a former customer to pay off a debt in full. A repayment plan can be made at any time during the recovery process. The agreement will be affordable for the customer and based on an income and expenditure assessment where necessary.

Through the recovery process, Brighter Places will maintain a supportive approach and actively seek opportunities to sign-post former customers to free, specialist debt advice where appropriate. Brighter Places works closely with local advice centres, and will make professional referrals where supported.

These agencies and their contact details are listed on the reverse of our income collection letters.

5.3.1 Debt Advice

Debt advice is a regulated activity and Brighter Places staff are unable to provide it. We will signpost customers to debt advice agencies, who will give free, impartial and judgement-free advice. Customers are signposted to these agencies by the reverse of our income letters.

Customers may be advised to enter into a Bankruptcy Order or Debt Relief Order to address their debt. In these instances, Brighter Places will request that rent arrears are not included in any order. Rent arrears included in one of these orders will be lost within bed debt write-off provisions.

Proceedings cannot be used to recover rent arrears that are included in one of these orders. However, Brighter Places may still seek possession of the property, which will be determined on a case-by-case basis and based on how the tenancy has been conducted to date.

5.4 Escalation and enforcement

If there is no payment towards the debt or a satisfactory repayment plan made, Brighter Places may make an application for a money judgement via Money Claims Online.

The objective is to secure a County Court Judgement for the debt and be securing a Money Judgment Order will open further collection options, such as attachment of earnings, charging orders, and so on.

This is set out in the former tenancy debt collection procedure

5.5 Other concerns

5.5.1 Credit and customer refunds:

We will refund credit balances to customers swiftly. See credit balance procedure.

Checks will be made with Housing Benefit teams and DWP to determine whether there has been an overpayment of benefit prior to the money being returned to the former customer.

Refunds will not be made to a former customer if they owe any other debt to Brighter Places, regardless of the age of that debt.

5.5.2 Deceased customers:

Rent liability does not end when a customer passes away. Brighter Places will communicate this to the deceased customer's family and next of kin.

The estate of the deceased customer remains responsible for the rent due and for any debt on the closed / former rent account. If the Executor of the deceased customer's will advises there is no money in the estate, then the remaining balance will be written off as bad debt.

The Lettings Team are able to end a tenancy at 2 weeks rather then 4 weeks if the

Tenancy is left clean and clear.

5.6 Bad Debt

There are a limited set of circumstances where Brighter Places will write off money owed by former customers as bad debt.

Former customer debt is difficult to collect because of the way in which it has accrued, that the former customer has moved and can be difficult to trace, and that the customer's circumstances may not have changed significantly to mean that they can repay debt.

If when assessing a customer’s income and expenditure in a fair and proportionate way, the assessment confirms that the debt is uneconomical to pursue and the customer will not reasonably be able to make payments towards the debt, in the foreseeable future, (up to 12 months) the amount owed will be written off.

Brighter Places reserves the right to reinstate a former tenant debt or any other recharge if the customer reapplies for accommodation with us or another landlord and/or their circumstances have changed meaning they may be able to make payments.

5.7 Other circumstances where Brighter Places will consider writing off bad debt:

5.7.1 Domestic Abuse

The Domestic Abuse Act 2021 does not prescribe an approach when a customer has rent arrears that are attributable to being in an abusive or coercive relationship. In line with our Domestic Abuse Policy, Brighter Places want to keep survivors of domestic abuse and their families safe; former customer debt should not be a barrier to being safe, and this debt will not be pursued.

Brighter Places may request evidence to support this action.

5.7.2 Statute Barred Debt

Statute barred debt is where Brighter Places can no longer enforce debt recovery through the courts because too much time has passed.

If a debt is statute-barred, the customer will be contacted as per the escalated process but an application for a money judgement will not be made. The balance will be written off at this point.

Brighter Places will strike a balance the cost of collecting a former customer debt and likelihood of recovery, to ascertain if outstanding debt to the business is uneconomical to pursue.

In addition to the propensity to pay modelling, a former customer debt is £250 or less, and there has been no response from the former customer to three attempted contacts (letters, telephone call, SMS, email), the case will not be progressed to court for a money judgement and will be prepared to be written off as bad debt.

5.7.3 Write on

There may be occasions where a former customer starts to make repayments on an account where the debt has previously been written off. An example of when this may happen is if the former customer is seeking rehousing via a local authority.

In these situations, Brighter Places will write all or a proportion of the bad debt back on to a former tenancy account.

5.8 Customer vulnerability

Rent arrears can be linked to customer vulnerability and hidden disability. In addition to information that we already know about a customer (from their lettings journey), Brighter Places will use contact points in the arrears process to better understand a customer, their circumstances and needs. Appropriate support will be offered when the need is identified; to enable a customer to fully access our services or provide specialist support.

Brighter Places will make every effort to meet with a customer in person before an application to court has been made. In accordance with our Public Sector Equality Duty, any disclosure made may influence the decision to apply for possession.

5.10 Performance reporting and key performance indicators

These operational measures are monitored to ensure this policy is being applied and is effective.

- Former customer arrears, expressed in cash terms, and % of annual rent debit
- Collection rate for the month and YTD
- Number of accounts with former customer arrears
- Amount of bad debt presented for write off, number of cases and total cash value
- Credit refunds made to former customers, both number and cash value
- Number of former customer accounts secured under payment arrangement

6. Training Requirements

Rent arrears are symptomatic of other issues in a home.

Income Officers will be equipped to identify, and provide advice, guidance and signposting on areas such as but not limited to:

- Personal debt
- Adult and child safeguarding
- Benefit and tenancy fraud
- Illegal money lending
- Welfare benefits
- Mental health
- Rehousing options

7. Monitoring and Review

- The ongoing application of this policy is monitored via monthly and quarterly performance reporting to ensure that it remains relevant, up to date and accessible to the relevant audience.
- The policy will be reviewed at least every three years.

8. Data Protection

Any personal data created, collected, shared or retained in connection with abandonment or tenancy fraud investigations will be processed in accordance with the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018, and Brighter Places' Data Protection Policy and Privacy Notices.

In applying this policy, Brighter Places will ensure that:

- Personal data is processed lawfully, fairly and transparently, and only where there is a clear and legitimate purpose connected to tenancy management, fraud prevention, safeguarding, or compliance with legal and regulatory obligations.
- Only relevant and proportionate information is collected and recorded, and data is limited to what is necessary to establish facts and support decision-making.
- Information obtained from third parties (including neighbours, contractors, local authorities, and partner agencies) is handled sensitively and assessed for reliability and relevance before being relied upon.
- Personal data may be shared with appropriate internal teams, local authorities, law enforcement agencies, fraud bodies, or regulators where lawful and necessary, including for the prevention or detection of crime, recovery of possession, or regulatory reporting.
- Appropriate access controls, security measures, and audit trails are maintained on all systems used to record and store investigation data.

- Personal data is retained only for as long as necessary and in line with Brighter Places' retention schedule, recognising that fraud-related records may need to be retained for evidential, audit, or regulatory purposes.
- Individuals' data protection rights are respected, subject to lawful exemptions that apply in the context of fraud prevention, crime detection, or legal proceedings.

All colleagues involved in abandonment or tenancy fraud investigations must ensure that data protection considerations are embedded throughout the investigation process and must seek advice where there is any uncertainty.

9. Equity, Diversity and Inclusion

Where required, reasonable adjustments will be considered to support colleagues to engage with this policy. Please speak to the policy owner for assistance.

Brighter Places is committed to ensuring that this policy is applied fairly, consistently and without discrimination.

In applying this policy, colleagues must have due regard to the Equality Act 2010 and ensure that decisions relating to suspected abandonment or tenancy fraud are:

- Fair, proportionate and evidence-based, and do not result in unlawful discrimination, either directly or indirectly.
- Sensitive to individual circumstances, including where a tenant or occupier may be vulnerable due to disability, mental or physical health conditions, age, caring responsibilities, language barriers, or other protected characteristics.
- Inclusive and accessible, including consideration of reasonable adjustments to communication, timescales or processes where required to enable engagement with the investigation or review process.
- Informed by safeguarding considerations, particularly where concerns relate to household members who may be at risk, or where absence or non-occupation may be linked to hospitalisation, care arrangements, domestic abuse, or other complex personal circumstances.

Where vulnerability or protected characteristics are identified, colleagues must ensure these are appropriately considered and, where necessary, seek advice from relevant internal teams before progressing enforcement or legal action.

10. Summary Roles and Responsibilities

Activities	Exec	HoH	Hsg Mgrs	Income Team	HR	Gov
Owner of the policy		X	X			
Monitoring & review of the policy	X	X	X			X
Approval of changes to the policy	X					X
Responsible for policy implementation		X	X	X		
Addressing issues in the implementation of the policy		X	X	X		
Version control of live policy						X
Training of colleagues			X		X	