

Title:	Rent Arrears Policy
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1. Introduction

- 1.1 Rent and service charges are WPH's main source of income and enable us to provide high quality homes and services. We are committed to maximising income collection and minimising rent arrears.
- 1.2 Managing rent arrears supports tenants to maintain their tenancies and prevents homelessness.
- 1.3 We will aim to prevent rent arrears with a supportive and early intervention approach. Our supporting procedures for the recovery of arrears, reflect the requirements set out in the Pre-Action Protocol for possession claims based on rent arrears. We will aim to make affordable agreements with tenants to clear arrears, over a reasonable period of time. We will ensure that tenants understand the distinction between priority and non-priority debts and that a high level of importance is placed on ensuring that rent payments are maintained.
- 1.4 We will offer advice, where appropriate on claiming welfare benefits, and support the tenant to make a claim, address any issues with a claim, or take measures to sustain their tenancy through an application of direct deductions.
- 1.5 Where recovery action has been taken and there is persistent failure on the tenant's behalf to engage with us and on ongoing failure to abide with repayment arrangements, we will progress a case to court for possession proceedings.
- 1.6 This Policy should be read in conjunction with others where rent arrears may affect our decisions such as:

- Starter Tenancy Procedure
- Transfer Policy
- Mutual Exchange Procedure
- Tenancy Management Policy
- Eviction Policy
- Allocations and Lettings Policy

1.7 This Policy applies to social housing tenancies only. Market Rent and Leasehold arrears are covered in the Market Rent Management Policy and Leasehold Management Policy respectively. As this Policy applies only to social housing tenants the terminology “tenant” rather than “resident” has been used throughout.

2. Purpose

2.1 This policy sets out WPH’s approach to Rent and Service Charge Arrears. This policy aims to support our corporate objectives to deliver high quality homes and services and to support tenants’ independence and wellbeing.

2.2 The Policy therefore aims to:

- Maximise rent collection and minimise rent arrears, with a supportive and early intervention approach
- Support all tenants, particularly vulnerable tenants, to maintain their rent account
- Prevent tenants from falling into arrears.
- Assist those tenants who do fall into arrears to reduce and ultimately clear their debt.
- Ensure possession and eviction action is considered as a last resort.

3. Maximising rent collection

Methods to pay

3.1 We will be flexible in the number of ways we accept rent payments to suit tenants varying needs but will encourage residents to pay by Direct Debit. All current methods will be outlined in our Rent Arrears Procedure.

3.2 We may apply for Universal Credit to be paid direct to us if a tenant is in arrears by more than 8 weeks. This will be approved by a manager.

Rent statements

3.3 We will, depending on tenant’s preference, send by post or via email rent statements to tenants on a quarterly basis.

Arrears prevention

- 3.4 Affordability checks will be completed for all new tenants prior to signing a new tenancy.
- 3.5 All new tenants will be asked to pay a month's rent in advance on sign-up. Where this is not possible, we will consider accepting a minimum payment of one week's rent. If that is not possible then we will explore other payment arrangements with the prospective tenant.
- 3.6 Tenants are made aware at sign-up that rent is charged monthly/weekly, and there should never be an arrear on their account. At letting, all tenants need to pay their rent for the period ahead, rather than the period past. If they are unable to do this, they will make a rent due agreement to bring themselves in line with their tenancy agreement. This includes tenants who are in receipt of Housing Benefit or Universal Credit.

4. Supporting tenants

- 4.1 We will take a supportive and flexible approach and do all we can to take into account a tenant's personal circumstances when we are following the rent arrears process.
- 4.2 We will take reasonable steps to ensure the tenant understands their rent account and/or rent arrears. If the tenant experiences a language barrier, has a learning difficulty or otherwise cannot understand the rent situation, we will seek to make any appropriate reasonable adjustment to support the tenant, which may include:
 - Offering a face-to-face meeting
 - Supporting an advocate, family member, or friend to attend a meeting with the tenant
 - Supporting the tenant to communicate with WPH through a third-party advocate
 - Offering communications in easy read or other alternative formats
- 4.3 Effort will be made by WPH to assist tenants in resolving debt or benefit issues, either through the Housing Officer directly or through support from the Financial Inclusion Officer, who may advise directly or refer the tenant to one of our third party, independent partners.
- 4.4 If we believe that the tenant is vulnerable e.g., they have mental health, drug or alcohol abuse problems, and they are not already in touch with statutory or voluntary agencies which can help them manage the daily commitments of their tenancy, we will offer to refer the customer to external support.
- 4.5 If the tenant is already receiving support, we will ask the customer for their consent to contact their support worker in order to coordinate efforts.

- 4.6 We will also advise tenants of their right to identify someone to act for them as an advocate and we will facilitate communications that incorporate the advocate so that they can best support the tenant.
- 4.7 Where appropriate, Women's Pioneer Housing will work with the Local Authority, Housing Benefit and the Department of Work and Pensions (DWP) to discuss changes arising, address any relevant issues and strengthen WPH's relationship with external partners for a better service for tenants.

5. Early intervention

- 5.1 WPH will ensure that at the beginning of a tenancy or when a tenant first goes into arrears a consistent pattern of payment is established or re-established to prevent small arrears problems from escalating further.

It is essential that accounts are reviewed on a regular basis. As a minimum:

- Accounts in arrears must be reviewed monthly
- Accounts in credit should be reviewed quarterly

- 5.2 We will monitor rent accounts and intervene early where arrears are accruing, contacting tenants to find out why arrears are accruing and offering support as set out above.

- 5.3 We recognise that housing benefit is paid retrospectively every four weeks and universal credit retrospectively every month. This can cause cyclical arrears to accrue until receipt of payment at the end of the cycle. We will encourage tenants who receive benefits and who are in cyclical arrears to make additional payments to bring their account up to date and build up a credit balance, but will not enforce this if it causes financial hardship and will not seek to recover cyclical arrears through the rent arrears process.

- 5.4 At the earliest opportunity, once arrears are identified and before any formal action is taken, all attempts of contact will be made, as soon as possible. This includes:

- Telephone call
- Text Message
- Email
- Visit
- Letter

Repayment plan

- 5.5 Should a tenant fall into arrears, WPH's preferred option is to bring the rent account fully up to date. However, WPH may agree an affordable repayment plan with a tenant

where payment in full cannot be made. Tenants will be encouraged to complete a budget before an agreement is made to:

- Ensure all household income is taken into account
- Assess whether the tenancy is sustainable for the tenant and set to the appropriate recovery amount
- Obtain up to date household information
- Ascertain if the tenant requires Money Advice

Warning letters

- 5.6 We will send warning letters if other attempts to contact the tenant are unsuccessful. These letters will balance offers of support with a warning of consequences of continued non-payment and are documented within the arrears procedure.
- 5.7 We will usually send the first letter when an account falls into arrears, following attempts of contact. This letter will seek to establish that all payments have been recorded on the account, whether any relevant benefits are being paid and offer support to resolve any issues. We will also aim to make contact through other methods such as telephone and email and will offer face-to-face appointments and home visits.
- 5.8 If rent arrears continue then further warning letters will be sent, usually on a weekly basis. If two months of arrears have accrued, we will usually issue a Notice Seeking Possession.

Notices

- 5.9 The Housing Manager must approve service of any Notice of Seeking Possession. We will serve notices according to the relevant legislation which may differ for different tenancy types.
- 5.10 In severe and persistent cases of rent arrears we reserve the right to use Ground 8 of schedule 2 of the Housing Act 1988 to repossess the property. Ground 8 is a ground that can be used to seek possession where a tenant has arrears of more than 8 weeks' rent. It is a mandatory ground which means that the court has no choice but to award possession. Enforcement action under Ground 8 would only be taken with the approval of the Housing Manager.
- 5.11 We will also retain the discretion to delay serving a Notice of Seeking Possession for a limited period of time in exceptional circumstances e.g. a recent bereavement.

6. Issue of court proceedings

- 6.1 We will only issue court proceedings in line with the pre-action protocol for possession claims by social landlords and in accordance with our arrears procedures.

- 6.2 The Housing Manager must approve the issue of court proceedings.
- 6.3 We will consider adjourning court proceedings on terms of continued regular payments or rent if the debt is repaid in full. If arrears arise again, we may seek reinstatement of the proceedings. We will generally seek to recover court costs even where proceedings are adjourned and will consider this on a case by case basis.

7. Evictions

- 7.1 A request for a bailiff warrant will only be requested as a last resort and must first be agreed by the Director of Operations and the CEO. Evictions must be reported to the Board in accordance with our Eviction Policy and Procedure.

8. Bankruptcy and voluntary arrangements

Bankruptcy and Debt Relief Orders

- 8.1 Where we receive official notification that a tenant has been declared Bankrupt or is subject to a Debt Relief Order, and the rent arrears have been included, we will not attempt to recover any arrears pre-dating the Order, except through the Trustee appointed by the Official Receiver to manage the tenant's affairs.

Breathing Space

- 8.2 The objective of The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) Regulations is to give debtors "breathing space" to obtain advice and find appropriate debt solutions.
- 8.3 Breathing space is available to any individual with a problem debt and can be accessed through a debt advice provider authorised by the FCA to offer debt counselling. Where a notice is issued that Breathing Space is in force, we will place recovery action on hold until the expiry date of the notice. We will not be able to contact the tenant to discuss legal action and cannot act on a court order or eviction warrant until the notice has expired.

9. Refunds

- 9.1 In some cases tenants will build a credit on their rent account through small overpayments or through a benefit backdated payment. In these cases, WPH will refund a credit to the tenant and ask them to amend their future payments.
- 9.2 Credit on the account cannot be refunded to tenants which would leave their account in any arrears, including where there is a benefit payment cycle or payment due.

10. Equality and Diversity

- 10.1 WPH will ensure that this policy is applied fairly and consistently. We will not directly or indirectly discriminate against any person or group of people. We will act sensitively towards the diverse needs of individuals and communities and will take positive action or make reasonable adjustments where appropriate.