

## Public Policy

### Factoring Debt Recovery Procedure

Property Factors Registered Number: PF000302

#### ***Our Commitment***

*Argyll Community Housing Association is committed to provide equal opportunities across all services and to avoid discrimination. This policy is intended to assist ACHA to put this commitment into practice. Compliance with this policy should also ensure that employees do not commit unlawful acts of discrimination.*

***This policy can be made available in other formats, for example in large print, audio-format or Braille: the document may also be available in other languages, in full or summary form, as appropriate.***

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#### 1. INTRODUCTION

Argyll Community Housing Association Ltd (A Scottish Charity) (“ACHA”) provides a property factoring service in the Argyll & Bute region. In accordance with its legal obligations, ACHA has produced the following Factoring Debt Recovery Procedure in connection with those services.

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ACHA's property factoring services are managed on its behalf by the Factoring Team.

ACHA's Factoring Policy states that it will adopt a sensitive and reasonable approach to debts incurred through its property factoring services. It will endeavour to ensure that arrears are controlled and that it has effective and efficient debt recovery procedures. A quarterly review of accounts will be undertaken to identify and monitor proprietors who are in arrears so that early intervention action can be taken.

A number of payment methods are available and ACHA employees should try to ensure that proprietors are made aware of them.

Proprietors encountering difficulty in meeting payments should be advised of sources of financial advice and support with debt, for example, Citizens Advice Bureau.

#### 2. INVOICES

Invoices are issued quarterly for the periods January to March; April to June; July to September and October to December and are issued in the middle of the quarter – mid February, mid May, mid August and mid November. Invoices are due for payment within 14 days after the date of issue. If full payment of the invoice is outstanding after 14 days, a reminder letter will be issued to the proprietor. If payment remains outstanding after 14 days of the reminder letter, a final demand letter will be issued requesting payment within 7 days of the date of that demand.

If payment is not received or repayment arrangements have not been agreed with ACHA, further attempts may be made to contact the proprietor at the discretion of ACHA.

#### 3. DISPUTED INVOICES

If a proprietor is questioning or disputing a sum charged for a repair detailed in an invoice this should be reported, in the first instance, to the local Area Office preferably within a period of fourteen days from the date of notification of the proprietor's dispute. The local Area Office will investigate any relevant issues raised by the proprietor and notify the Factoring Team accordingly. No further action shall be taken against a proprietor in respect of the disputed part of the invoice until conclusion of ACHA's investigation.

The local Area Office will notify the proprietor of the outcome of ACHA's investigations once they have concluded and/or notify the proprietor of any remedial work to be undertaken if necessary. The Factoring Team may continue to insist upon payment of undisputed charges. If payment remains due ACHA will proceed with recovery action.

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#### 4. COMPLAINTS PROCEDURE

Proprietors who are not satisfied with the service and wish to make a complaint should contact any member of staff who will be able to provide information on ACHA's Customer Comments and Complaints Policy. A leaflet containing further details is available on our website [www.acha.co.uk](http://www.acha.co.uk) or from staff. ACHA aims to resolve complaints quickly. If proprietors are not satisfied with the outcome of ACHA's complaints process they can make an application to the Homeowners Housing Panel, Europa Building, 450 Argyle Street, Glasgow, G2 8LH detailing why they feel ACHA has failed to comply with the Code of Conduct or failed to carry out their duties.

#### 5. DEBTORS LIST

After each quarterly invoice is issued ACHA will maintain and update a debtors list to monitor the payments received against the invoices issued; any part payments received and any part invoices outstanding; and any invoices that remain unpaid. The debtors list will provide an up to date account of all outstanding balances.

#### 6. PAYMENT REPORTS

Payment reports will be run by the Finance Manager and produced to the Factoring Team. The Reports show payments received into factored proprietors accounts for dates specified in the report. The payment report information will be monitored by the Factoring Team.

This report is used to update and monitor the Debtors List and the annual Statement record. Statements showing payments received and invoices issued will be sent to owners annually after the end of the financial year. If proprietors wish up to date statements at any other time of the year the Factoring Team can provide this on request including on the sale of a factored property.

#### 7. INSTALMENT AGREEMENTS

ACHA may enter into a repayment plan for payment of factoring arrears by instalments. A Form of Undertaking recording an agreed repayment plan will be issued and should be signed by the proprietor and returned to ACHA. Should the signed Form of Undertaking not be returned or the agreed repayments not be received on the specified date, the repayment plan will fall and ACHA may take recovery action against the proprietor. Proprietors should be encouraged to complete an income and expenditure form.

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#### 8. RECOVERY ACTION

Should payment remain outstanding 7 days after the issue of the final demand letter ACHA may take further recovery action.

ACHA may raise court action against proprietors for any outstanding debts. Depending on the circumstances ACHA may seek interim diligence such as an arrestment or inhibition on the dependence of the action.

#### 9. ENFORCEMENT

A Notice of Potential Liability for Costs may be registered or recorded against the property of proprietors who are in arrears.

Any decree obtained by ACHA may be enforced by way of Arrestment, Inhibition, Earnings Arrestment, Sequestration (bankruptcy), Liquidation, etc.

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