



**Policy Title:**

**Income Recovery Policy**

**Policy Owner:**

**Chief Customer Experience Officer**

**Accountable Lead:**

**Head of Customer Accounts**

Policy Control	
<b>Policy Level</b>	Operational
<b>Policy Reference</b> (Policies must be referenced by business areas, with associated policy number and year of approval)	<b>CS/HM(CA)005/2024</b>
<b>Link to Strategy</b> (what strategy is the policy intended to support?)	<b>Trusted Customer Service</b>
<b>Version Control</b> V.1 – June 2013 – consolidation V.2 – July 2015 – review V.3 – February 2019 – review V.4 – Mar 2022 review V.5 – Oct 2024 review	- Effective from Oct 2024 - to Oct 2026
<b>Approved by</b>	- Chief Customer Experience Officer
<b>Consultation</b>	Date of any consultation and with whom?
<b>Equality analysis - EIA</b>	Date July 2024
<b>Next review date</b>	Oct 2026

## Introduction

Curo is committed to its purpose 'Homes for good'. As such, it is essential that rent and associated charges are paid, as required by our customer contractual duties in their tenancy agreement. Timely receipt of the rent payments is crucial for us along with our mission to 'zero evictions into homelessness'.

<b>Policy Statement</b>
Curo's primary objective is to keep rent and additional charges at a manageable cost. We recognise that customers may occasionally face challenges in adhering to regular rent payments while we provide affordable housing options. To help navigate these challenges, we offer comprehensive support, including guidance on available support, encouragement to engage with their Account Manager, our money & benefit advice services, employment support, tenancy support coordinators, or external resources like the local Citizen's Advice Bureau and other free advisory centres.

## **1. Scope**

This policy sets out our principles for the collection of income from customers. Our principal form of income is rent, but this policy includes service charges, Court costs, support charges and recharges. It recognises the significance of payment methods, the support and advice we give, and early intervention in the recovery of income. Where payments are not made it sets out expectations for the action we will take.

The key objectives of the Rent Arrears Policy:

- Offering varied support MAS, BA, P2H
- To prevent rent arrears accruing
- To clarify the process for dealing with current customer arrears
- To detail the support Curo Customer Accounts can offer to customers to tackle arrears
- To clarify the process for dealing with former customer arrears
- Prevention of homelessness and tenancy sustainment

## **2. Responsibilities**

The Head of Customer Accounts is accountable to the Executive for the delivery of the principles and the objectives of the policy, and has overarching responsibility, to ensure that the policy and its related procedures contribute to Curo's Operational Plans. The Regional Customer Account Managers have operational responsibility, for ensuring adherence to the policy and for establishing appropriate procedures to ensure its delivery.

Customer Account Managers & Account Advisors are responsible for the day-to-day application of this policy and its associated procedures. Finance colleagues are responsible for accounting services, including raising rent and other charges, recovering direct debits and posting of payments received. Colleagues in the repairs, lettings, tenancy management and tenancy compliance services, are responsible for identifying circumstances where recharges are required, or financial difficulties are identified.

## **3. Definitions**

Rent is the charge made to a tenant, with exclusive possession of a dwelling for the use and occupation of that dwelling, granted under the terms of a tenancy agreement. Rent may also include a service charge for services provided to a property, if these are detailed in the tenancy agreement. The term 'rent' also includes in this policy "mesne profits" which is a charge made for the use and occupation of a property when no tenancy exists.

Arrears of rent mean any rent not paid in accordance with the terms of the tenancy agreement. A recharge is a charge made to a customer for work carried out, or to remedy disrepair or damage caused by a customer.

## **4. Principles**

Rental income, and income from other charges, is critical in enabling Curo to achieve our corporate strategic priorities. The key principles behind this policy are that we should:

- Maximise our rental income, by providing an efficient and effective rent collection service
- Maximise other income by identifying where charges should be made to customers
- Act to prevent tenants falling into arrears with their rent
- Respond to customers who are in arrears in a way that is transparent, fair and positive
- Provide a range of payment methods which are easy for customers to use, give choice and flexibility, and are cost effective for Curo
- Provide regular and accurate information to customers about their rent, charges and other accounts
- Expect customers to pay on time, and tenants to pay in advance in accordance with tenancy agreements, acting, including providing support, where this is not the case
- Seek to manage rent arrears with tenants, collecting the rent with care and consideration, and using alternatives such as money judgements or distraint where this is appropriate, minimising the risk of making anyone homeless, inline with our mission 'zero evictions into homelessness
- Recognise the business case for avoiding eviction, effective rent recovery being more likely if the tenant stays in their 'home for good'
- Be clear when eviction is the appropriate outcome, and achieve that as quickly as possible, including the use of Ground 8 – mandatory ground in court.
- Recognise the business case for effective financial inclusion work with customers; improving customers' financial circumstances and budgeting skills will increase their ability to pay the rent
- Support customers to maximise incomes, including support with benefit claims and with managing income from benefits
- Support customers who need practical assistance in times of financial crisis. Signposting, helping with applications and providing direct financial support in terms agreed by our Board
- Recognise the significance of 'work' in improving customers' financial circumstances, referrals to WorkWise team
- Use clear language – tone of voice, when we are discussing arrears, making agreements and proposing any formal action under this policy
- Ensure that customers are aware of the potential consequences of legal action, including future eligibility for social housing and/or credit

## **5. Application**

To support the principles of this policy we will:

- Agree an appropriate range of payment methods, in consultation with customers and ensure that both colleagues and customers are aware of these

- Ensure that our arrears procedures set out transparently what actions will be taken and on what timescale
- Use a range of different ways to contact customers, which meet their preferences but also ensure contact
- Carry out income/expenditure analysis before agreeing repayment in instalments, so that agreements are made only where it is appropriate, and that any agreement is tailored to individual circumstances
- Support these procedures with protocols, including those required by Courts, the purpose of which are to ensure that wherever possible tenants remain in their home and eviction is sought only as a last resort
- Place particular emphasis on financial capability and rent payment before the start of tenancies: carrying out a risk assessment, identifying tenants who are potentially financially excluded, requiring rent payments before tenancies start and where the risk assessment makes this appropriate, requiring tenants to undertake training programmes or excluding the applicant in accordance with our lettings policy. Where building independence is fundamental to a tenancy, we will recognise that we are working towards this objective offering tenant support
- Provide money management, debt and benefit advice and support, both internally and by signposting to appropriate free external agencies
- Provide direct financial support through our 'support fund' for customers in crisis. Our Board decides its annual budget. Our Executive team set the criteria and ensure that appropriate processes and controls are in place to manage the fund
- Equip colleagues to assess tenants' circumstances and provide advice. This is supported by the provision of appropriate technology and through our money & benefit management services
- Support customers with Universal Credit claims to manage that income and where there is a real risk to establish 'alternative payment arrangements' rent direct to Curo
- Offer signposting to a range of financial products including banking, responsible lending and insurance where customers have not been able to access appropriate services themselves
- Offer access routes to training for work
- Where we offer support in any of the above areas, consider whether it is appropriate to tailor agreements for the repayment of debt in instalments to the take up of support
- Provide online access to rent statements, and send rent statements by post/email if requested
- Have in place arrangements to ensure that former tenants' arrears are pursued where it is appropriate to do so, and written off promptly where not. Where appropriate, make use of agencies to recover that debt
- Ensure that colleagues know how to deal with circumstances such as insolvency/bankruptcy and how this affects rent payment and liability
- Ensure that colleagues know how to deal with circumstances such as relationship breakdown and how this affects rent payment and liability
- Have in place clear financial regulations which give authority to colleagues – at the widest level that is appropriate – to make decisions and take actions in relation to payments and arrears. Ensure that appropriate approvals for legal action are in place

- Share rent payment data with reputable credit reference agencies
- Ensure that personal information is handled in accordance with the provisions of Data Protection legislation
- Provide colleagues with up to date and efficient reporting tools that support their effective management of cases and implementation of this policy
- Provide colleagues with training and ongoing support to enable them to deliver the objectives of this policy

## **6. Procedures**

The following procedures support the operation of this policy:

- Rent arrears recovery procedure
- Pre-action Protocol
- Refund Procedure
- Rent payment methods summary – ways to pay
- Curo Support Fund Criteria Document and PUG
- Former Tenant Arrears procedure
- Lettings Policy & Procedure
- Data sharing agreements with external agencies
- Anti-Fraud Policy
- Anti-Bribery Policy
- Complaints Policy
- Data Protection Policy
- Inclusion and Belonging Policy
- Safeguarding Policy & Procedure

## **7. Consultation & Monitoring**

Customers, through VoiceBox and a range of other methods, will influence the review and delivery of this policy. The outcomes of this policy will be monitored through the performance monitoring dashboard with reference to:

- Increases in monthly gross and net arrears
- Percentage of rent collected
- % of cases in arrears
- Average arrears
- Rent arrears of current tenants, gross and net
- Unpaid rent written off
- Former tenant arrears