

Current Rent and Service Charge Collection Policy

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1 Aims

1. This policy sets out Jigsaw Homes Group's ("the Group") approach to providing an effective, efficient and fair approach to fully recover all rent and service charges payable by its tenants, leaseholders and freeholders. The primary aim of the policy is to recover 100% of income due in a manner that is effective, efficient and fair.
2. Payment of rent and other charges is the responsibility of the individual and is a condition of the tenancy agreement and/or leasehold agreement. The Group is committed to taking a proactive approach that prevents debt accumulation by providing timely and appropriate advice and support to customers.
3. The policy also seeks to balance a firm but fair approach to income recovery with an understanding of the financial pressures faced by lower income households particularly in light of the rising cost of living.

2 Scope

4. The policy applies to the Group's current tenants, leaseholders and freeholders along with any tenant or leaseholder where the Group acts as managing agents. For the purposes of this policy where an approach or action is applicable to all tenures then reference will be made to "customers" of the Group.

3 Policy Statement

5. The Group is fully aware of the need to maximise its income by collecting as much as possible that is due in rent and other charges from its customers. The Group's ability to provide its services depends upon the success of its rent and service charge collection procedures and to achieve this, the Group will offer a wide range of payment methods.
6. The policy recognises the need for service adjustments, and we will endeavor to identify and adapt our services to ensure that reasonable service adjustments are made.
7. The policy recognizes the National Housing Federation's and **Greater Manchester Housing Providers (GMHP) statements on evictions and supporting residents.**
8. Every tenant and leaseholder has a contractual commitment to pay the rent, service charge and personal charge levied on their home. The Group will immediately engage with all customers who fail to meet this commitment.
9. Great emphasis is attached to maximizing contact with customers and employing early intervention measures. However, legal action will be taken when arrears reach certain levels if there is no satisfactory repayment arrangement in place and there are no other mitigating factors.
10. The Group, where possible, will try to ensure that its customers have the help and advice they need to sustain their contractual outgoings to the Group and work to prevent customers from being financially excluded.

11. The Group will ensure this policy continues to adapt to the challenges and changes presented by the cost of living, alongside any amendments to the welfare benefits system.
12. Current tenant, leaseholder and freeholder arrears will not be written off unless the tenant or leaseholder has obtained a debt relief order or bankruptcy order, and the moratorium period has passed. If at the point of the moratorium period expiring the outstanding current arrears level is lower than what is stipulated in the order the Group will write off only the lower amount. The granting of a debt relief order or bankruptcy order does not remove the Group's right to use the non-payment of rent, service charge and other charges as a ground for possession of the property.

3.1. Objectives

- Maximise rent and service charge collection.
 - Ensure a fair, consistent and timely approach to arrears recovery, in line with the Group's procedures.
 - Promote customer engagement with the Group's money advice service and wider support services, for example tenancy sustainability and wellbeing teams.
 - Support customers affected by changes in their household income or welfare reform, in order to mitigate loss of Income to the Group.
 - Provide guidance to new and transitioning Universal Credit claimants to protect benefit entitlements.
13. **The objectives will be achieved through the following actions:**
 14. **Early Intervention & customer engagement**
 - Target arrears at the earliest point to provide customers with the opportunity to address them. This may involve utilizing staff from across the wider Group who may come into contact with customers.
 - Using a wide variety of contact methods (e.g, telephone calls, letters, e-mails, automated calls and text messaging) to reach customers in arrears.
 - Make contact during "non collecting weeks "to encourage payment and engagement.
 - Deal with all contacts in accordance with the Group's Customer Contact Strategy.
 - Offer mediation or pre court appointments to resolve possession proceedings where possible. Only pursuing substantive hearings when there is no engagement or satisfactory repayment arrangement in place.
 - Offer the assistance of the Group's free to use Money Advice Service with every contact.

- Identify and respond to vulnerabilities or safeguarding concerns.
- Identify and adapt our services to ensure that reasonable adjustments are made for all customers in accordance with our Service Adjustments Policy.
- Work with the Department for Work and Pensions Partnership Managers to support vulnerable Universal Credit claimants.

15. Affordability and Pre-Tenancy Checks

- A mandatory affordability assessment for all new lets, mutual exchanges, and managed moves. This is to ensure the property is affordable, support needs, reasonable adjustments are identified pre sign up and payment methods agreed.
- The completion of pre-tenancy checks i.e., obtaining landlord references, ensuring checks are made on former debts outstanding and CBL exclusion.
- Complete financial assessments for shared ownership sales and resales.
- Encourage new tenants to pay two weeks rent in advance with exceptions for those facing affordability challenges (e.g., care leavers, individuals who are moving on from either the Group's own supported accommodation, temporary accommodation and emergency accommodation, or those individuals who were previously street homeless, management moves, or an internal transfer offered on the grounds of under occupation).
- Collect one month's rent in advance from all new rent to buy properties and shared ownership properties.

16. Flexible Payment Methods

- Continue to improve and expand payment options, seeking annual feedback from the Tenant Scrutiny Panel.
- Promoting a positive payment and self-help culture for customers and ensuring that the process for all customers paying rent and service charge is simple and easy to use.
- Demonstrating flexibility with rent payments for residents who have experienced an unexpected and sudden loss of household income.
- By developing new ways of making rent and service charge payments and introducing new approaches to contacting those in arrears.
- Use Universal Credit Alternative Payment Arrangements (APA) and Arrears Direct Deductions (ADP) where appropriate.
- Encouraging payment in advance where feasible, while recognizing individual circumstances.

17. Data Driven Approaches and Campaigns

- Use data and intelligence to deliver targeted projects around welfare reform and payment methods to increase collection rates and maximise customers' household income.
- Train frontline staff to handle low level arrears cases and basic money advice queries.
- Provide clear and easy to understand rent statements & arrears recovery letters to all tenants and leaseholders.
- Collaborate internally via the Jigsaw Homes Legal and Vulnerability Group to gather insights, household intelligence before escalating legal action.

18. Enforcement

- Where appropriate restrict planned maintenance works for persistent non-payment and breach of County Court Orders.
- The use of starter tenancy agreements to support the development of sustainable tenancies.
- Pursue non-payment of rent and service charge to the County Court where engagement or repayment arrangements are absent.
- Conduct additional needs assessments before initiating possession or warrant action.
- Adhere to and evidence compliance with the County Court Pre Court Action Protocol ensuring action is recorded on the housing management system, to demonstrate that we have supportive, robust procedures in place, which are clear and transparent.
- Pause enforcement and offer support to customers registered under the Debt Respite Scheme (Breathing Space).

3.2. Recovery Process

19. Jigsaw Homes Group, "the Group" adopts a robust and proactive approach to rent arrears recovery with a strong emphasis on early intervention and customer engagement. While the Group maintains a zero-tolerance stance on current rent arrears, it also recognizes the financial pressures many customers face due to the rising cost of living. Where necessary the Group will tailor its approach to contacting customers and make reasonable service adjustments where identified.
20. Customers falling into arrears will be escalated through the Groups arrears recovery process until such time that they either clear their outstanding debt in full or a satisfactory repayment arrangement is made and maintained. This approach is taken to minimise the possibility of the arrears level reaching an unmanageable amount which then jeopardises the sustainability of the tenancy or lease.
21. To support customers, the Group offers access to its free Money Advice Service at any stage of the arrear's recovery process. This service is available to all household

members and provides support with income maximization and, where appropriate negotiation of third-party debts.

22. The Group will prioritise referrals to its Money Advice Service through a triage system. Customers who do not engage with the triage system or who fail to attend two prearranged appointments with the Money Advice Service will have their referral closed. In such incidences it is then the customer's responsibility to re-engage with the service.
23. Repayment arrangements will be based on realistic assessments of household income. Where appropriate, deductions may be made directly from salaries or welfare benefits.
24. Refunds will only be issued if the rent account remains at least two weeks in credit. Credits above this threshold may be used to offset other debts owed to the Group with the tenant's consent. Prior to issuing refunds, checks will be made for any outstanding housing benefit or Universal Credit overpayments.
25. The Group will make Alternative Payment Arrangement (APA) applications when a customer's personal circumstances meet the APA criteria set out by the Department of Work and Pensions, and where receiving the APA payment will assist tenancy/lease sustainment. Consent will be sought from the customer before submitting APA requests.
26. For shared ownership arrears the Group will tailor its approach to protect both its assets and the equity of leaseholders. All outstanding service charge debts must be cleared before the Group consents to the assignment of leasehold or freehold properties with ongoing service charges.

3.3. Enforcement Action

27. If all measures fail to recover outstanding arrears and the tenant or shared owner persists in non- payment, then County Court possession proceedings will commence which could result in the tenant or leaseholder losing their home. In doing so the Group will follow the most recently published Government guidance on possession proceedings.
28. The Group will determine what ground for possession will be relied upon in a County Court application based upon what is detailed in the customer's tenancy or lease agreement. Where stipulated in the individual tenancy or lease agreement the Group may rely either on,
 - Ground(s) 1 of Schedule 2 to the Housing Act 1985, or
 - solely on one or a combination of, Ground 8, Ground 10 and Ground 11 of 1988 Housing Act or Section 21 (1)(b) of 1988 Housing Act as the grounds for a possession claim.
29. The use of Ground 8 is seen as a measure of last resort and will only be used following approval from the Executive Management Team.

30. In all possession applications, the Group will request court costs and a Money Judgement for outstanding arrears. The Group will at its discretion determine whether to seek an order for costs if a rent account is cleared prior to any hearing. This decision will be based upon each individual's circumstances.
31. Where a tenant or shared owner has cleared their rent account ahead of the County Court hearing but has previously displayed a pattern of erratic rent payments then the Group reserves the right to request the County Court to grant liberty to restore the claim if the tenant or shared owner falls into arrears again.
32. The Group considers eviction as the last resort. Before approving a warrant, the Group will notify the relevant Local Authority Housing Advice team to allow intervention. We hold action to allow them to engage and work with the tenant in order to prevent the account from escalating to the County Court Bailiffs. We will always try to seek a lump sum payment to either clear the debt in full, or significantly reduce the debt, before agreeing not to oppose any application to suspend an eviction warrant.
33. Where the Group has no equity in a property and has exhausted all efforts to engage with a freeholder or leaseholder; or persistent nonpayment, the Group may use the County court small Claims Process, Money Judgement orders and charges against the Property via the Land Registry.
34. The Group reserves the right to refer debts to a debt collection agency.

3.4. Contact

35. All communication with customers will be in accordance with the Group's Customer Contact Strategy.
36. Every effort will be made to contact customers in arrears with no current repayment agreement. To achieve this, the Group uses rent accounts analytics software, which analyses existing data from our Housing Management System (HMS) to accurately classify the payment behavior of individual customers, helping to focus our recovery action on those cases that need it.
37. The Group uses an automated call company to make daily calls and send text messages to these customers. Where necessary a member of staff will visit the property in order to facilitate contact with the customer.
38. The Group will review and introduce new contact scripts via the automated call company to engage with customers during all stages of recovery, including automated calls for customers where their direct debit has failed.
39. The Arrears and Money Advice team can trigger individual automated contact calls/texts, using an action code on the Groups Housing Management System to ensure customers keep in touch following referrals for money advice, or where general requests for contact are required.
40. The Group sends a "welcome to your new tenancy message" after week two of the tenancy commencement date, offering further assistance if required including links to the Group's website pages which detail all of Jigsaw's services and self-help resources.
41. All discussions regarding rent and service charge accounts will be recorded on the Group's corporate housing system.

4 Monitoring and Delivery

42. Arrears Performance will be reported monthly to the Executive Management Team and quarterly to the respective Boards.

5 Meeting the Needs of Our Tenants

43. The Group is committed to tailoring its approach to meet the needs of customers requiring additional support, whilst maintaining the aims and objectives of the policy. This includes working with relevant parties to negotiate positive outcomes. Examples of tailored support include:
- All new tenants are excluded from the automated arrears recovery process for the first 6 weeks to allow benefits to be assessed, payment arrangements put in place and time for any initial tenancy issues to be resolved.
 - Where vulnerabilities or support needs are identified, the early intervention officer will ensure a detailed handover is undertaken with the arrears officer and the housing management system updated accordingly.
 - Tailoring methods of communications in order to prompt customer contact and extend payment options available.
 - Safeguarding is prioritised, with arrears recovery staff trained to identify and report safeguarding concerns.

6 Partnership Working

44. The Group will ensure a corporate approach to the arrear's recovery process wherever possible, including but not limited to working with our external partners, including the DWP partnership managers, local authorities housing benefit departments, to ensure outcomes for customers and for the Group as a whole are maximized. The Group maintains membership of partnership groups to ensure full awareness of best practice guidance for money advice engagement and preventative rent recovery action.

7 Confidentiality/Data Sharing

45. The Group will treat all information we receive from customers in relation to this policy in confidence and in accordance with its [Privacy Notice](#). The Group's processing of personal data, including sharing with third parties, will only take place where there is a lawful basis for doing so.

8 Equality and Diversity

46. Where appropriate the Group will provide alternative formats for contacting customers to overcome communication barriers such as language barriers, hearing or visual impairments.
47. When implementing this policy and any associated procedures the Group will ensure that it complies with The Equality Act 2010.
48. Through implementation of this policy, the Group will not discriminate on the grounds of any protected characteristic, namely: age; disability; gender; gender reassignment, marriage and civil partnership; maternity; race and ethnicity; religion or belief; and sexual orientation.
49. **Complaints and Appeals**
50. Any complaints about failure to follow this policy and/or associated procedure or about the way a customer has been treated in relation to this policy or procedure will be dealt with through the Group's Complaints Policy and procedures.

9 Legislation and Regulation

51. The legislation which underpins this policy is:
 - Pre-action Protocol
 - Housing Act 1988 (as amended)
 - Welfare Reform Act 2012
 - Welfare Reform and Work Act 2016
 - The Equality Act 2010
 - The General Data Protection Regulation

10 Related Policies and Procedures

52. This policy has links to other Group Policies and Procedures:
 - Rent Recovery Procedure
 - Former Tenant Arrears Procedures
 - Leasehold Management Policy
 - Rent Setting Policy
 - Service Charge Policy and Procedures
 - Service Adjustment Policy
 - Safeguarding Policy

11 Document Control

Responsible Officer:	Rosemary marsh, Group Director of Finance Paula Newton - Assistant Director of Income
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Approved by:	Executive Management Team
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Creating homes. Building lives.

Jigsaw Homes Group Ltd.

Cavendish 249
Cavendish Street
Ashton-under-Lyne
OL6 7AT

<https://www.jigsawhomes.org.uk>
0300 111 1133
info@jigsawhomes.org.uk