



Factoring Debt Recovery Procedure

Approval Date – 1 May 2018

Review Date – 30 April 2021

Factoring Arrears Management Procedure

Link Housing Association is committed to the prevention of debt and will adopt a supportive approach to owners, by providing flexible payment options (where possible) and by ensuring owners are aware of their factoring obligations prior to purchase (where possible).

1. Owners are invoiced for the charges they are responsible for, as identified within their Deed of Conditions and as described in the Written Statement of Services and Property Specific Schedule.
2. Invoices for Factored Owners are prepared and issued in accordance to the schedule outlined in the Property Specific Schedule and are due for payment within 14 days of receipt.
3. The preferred method of payment is by Direct Debit. Owners can request an Allpay payment card to allow payment at PayPoint locations, online and via telephone. Opportunity to pay by standing order, BACS payment, cheque, credit and debit card are also available.
4. If an Owner needs additional time to pay, they must contact the Factoring team on 01324 417 141 to discuss and agree any proposed payment arrangement. Only arrangements that have been agreed by the Factoring team will be honoured. Each case will be judged on its own merit and the current level of arrear, payment history and any other relevant factors will be considered. Ultimately the Association must recover arrears in order to maintain a cost effective and efficient service to other owners.
5. A first payment reminder is issued if payment is not received within 14 days of the invoice date and no payment arrangement has been agreed. A late payment fee of £10.00 + £2.00 VAT is added to the account. The first reminder requests that payment is made within 7 days from the date on the first reminder letter.
6. A final payment reminder is issued if payment is not received within 14 days of the invoice date and no payment arrangement has been agreed. A late payment fee of £10.00 + £2.00 VAT is added to the account. The final reminder requests that payment is made within 7 days from the date on the final reminder and indicates that legal action may be taken if the account is not settled.
7. If there is still no response to clear the account balance, or set up an arrangement, the account may be sent to our solicitor for legal recovery. The solicitor will issue a 7-day letter and legal fees of £10.00 + £2.00 VAT will be added to the account.
8. If this fails to prompt payment, the Factoring Team may instruct our solicitor to proceed with legal recovery through the court. Any and all legal expenses will be recharged to the owner's account.

9. The following actions may be approved: Bank arrestment, Wage arrestment, Arrestment of rent from owner's tenants, Notice of Potential Liability (NOPL), Inhibition Order, or Attachment Order (goods outside the home)

10. A Notice of Potential Liability (NOPL) or Inhibition may be raised against an owner's property where there are high arrears/persistent non-payment of factors invoices or where a property is being marketed for sale/auction and there is the risk of nonpayment. A court order is not required in order to register a NOPL. This Notice will hold any potential purchaser of the property jointly liable for the debt. The owner is responsible for all legal fees incurred and a £60.00 discharge fee to remove the NOPL. The owner's solicitor must provide the discharge documentation for signing.

11. Any payment arrangements that are agreed with owners will be recorded in the customer record.
