



We are consulting on a draft Factoring (owners) arrears & debt recovery policy – this is your chance to tell us what you think.

FACTORING – ARREARS MANAGEMENT

www.paragonha.org.uk

WHY ARE YOU GETTING THIS LEAFLET?

Preventing and managing Factoring arrears is crucial to maximise the resources available to Paragon for improving our services. It is therefore vital that customers are aware of their personal obligations to maintain their factoring account and the consequences if they fail to do so. This leaflet outlines how Paragon plans to prevent, manage and recover factoring arrears of current and former owners. The term 'factoring arrears' applies to all owners' charges including insurance, management fee, and repairs.

It is important the Association has a consistent and corporate approach to factoring payment and debt collection ensuring that this is a high priority with our customers and within the organisation.

We aim to prevent and effectively manage arrears, taking appropriate action against those who fail to pay Factoring Charges.

Our draft Policy aims to:

- Promote a culture of payment
- Provide information and support at all stages
- Provide a range of cost effective collection methods that takes account of owners' preferences and their ability to access services.
- Give accurate and clear information on factoring accounts and other debts to both staff and owners
- Ensure that all our communications are clear and encourage contact.
- Make contact with every customer as soon as arrears or other debts arise, or payments are missed using a variety of methods to suit customer's needs.
- Take a staged approach in which action is targeted and recorded.
- Negotiate realistic, affordable and sustainable payment arrangements to clear factoring arrears and other debts.

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SHR Registration Number : HAL 298
Scottish Charity No: SC 036262
Property Factor Registration No: PF000282

Our draft policy expects all owners to fulfil their legal obligations to pay factoring and other outstanding debts. Where these obligations are not met, we will take a firm but sympathetic approach. We appreciate that owners may be facing multiple debts, complex personal circumstances and financial difficulties. We will, as far as we can, ensure we are aware of an individual's circumstances and take account of overall debts when assessing what actions to take.

Our focus at the early stage of arrears recovery will be to:

- Establish contact and try to build an effective relationship establishing the reasons for non-payment
- Try and agree a formal arrangement to pay, this will be signed by both the Association and the owner and the owner will receive a copy.
- Advise owners of the consequences of failing to adhere to an arrangement.
- Put in place a strict monitoring arrangement to confirm adherence

The Association will issue twice yearly invoices in arrears for common charges and annual invoices in advance for Common Building Insurance cover. Open Space Maintenance Invoices will be issued annually in arrears. A statement of account will be provided at any time on request. Paragon will do what we can to be as supportive and helpful as possible in managing arrears,

Contact Details;

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ENFORCEMENT

Where in-house recovery of arrears actions have been exhausted we plan to issue a final notice which will have a £15 plan charge applied. We will then consider:

- Applying for a notice of potential liability
- Referral to sheriffs officers
- The small claims process
- Wages arrestment

BANKRUPTCY

Where an owner is declared bankrupt the debt will be pursued in accordance with legal procedures.

Want to get involved and tell us what you think?

You can find a copy of the draft Factoring arrears and debt recovery policy on our website www.paragonha.org.uk. Or we can email or post a copy out to you.

If you have any comments on the policy or any ideas of how we can improve things please contact us and ask to speak to the Housing Manager – Evelyn Mathershaw.

Over the next few months we will be arranging meetings to discuss all things factoring if you are interested in joining our owners group please let us know.