



# **Factoring Debt Recovery Policy**

## **January 2025**

Approved:	January 2025
Review Date:	January 2028

## **Our Vision**

Impacting & improving people's lives in a positive way.

## **Our Values**

### **Respect**

We will put people first, prioritise relationships, be kind and helpful and treat others as we would want to be treated

### **Integrity**

We will conduct ourselves with honesty and transparency.

### **Positivity**

We strive for positive outcomes and focus on the solutions that will deliver them.

### **Responsibility**

We will be dependable, professional, reliable and consistent.

## **Our Strategic Objectives**

- A) Developing, improving and maintaining new and existing homes
- B) Supporting and engaging with our communities
- C) Raising standards and increasing customer expectations
- D) Demonstrating effective governance, financial resilience and viability
- E) Putting people first
- F) Collaborate using innovative solutions to improve efficiency and outcomes

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## **1. Introduction**

- 1.1 Southside Housing Association (SHA) is a registered social landlord whose Factoring department provides a comprehensive property management service to approximately 775 owners both residential and commercial in the South Side of Glasgow. Southside Housing Association Factoring is a registered property factor. Property Factor Registration No PF001051.
- 1.2 Southside Housing Association is bound by the Property Factors (Scotland) Act 2011 and the Code of Conduct for Property Factors. It is a requirement of the code that property factors have a written procedure for debt recovery. This policy has been developed in line with Section 4 of the Code of Conduct and sets out Southside Housing Association's approach to the recovery of factoring debt.

## **2. Aims and Objectives**

- 2.1 Southside Housing Association aims to provide an efficient and effective factoring service to its owners and ensure effective maintenance of its factored portfolio. In order to provide value for money and to ensure the long-term sustainability of the service, it is essential that Southside Housing Association takes a robust but sensitive approach in the management and recovery of factoring arrears.
- 2.2 Southside Housing Association aims to maximise income through the recovery of factoring charges and minimise the level of owner's debts via 3 key areas – debt prevention, debt management and debt recovery. Southside Housing Association are committed to taking a proactive, preventative approach to owners' debt.

### Debt Prevention

- 2.3 Prevention and early intervention are key to the success of debt recovery, and we will only raise court actions as a last resort having exhausted all other options. This will be achieved through robust monitoring making it possible to identify issues before they escalate.
- 2.4 We will promote the earliest possible action to prevent arrears from occurring. This includes comprehensive information for new customers on their obligations contained in the Written Statement of Services, quarterly billing and ensuring owners are aware of the various payment methods available.
- 2.5 We will ensure that the owner/s provides us with their contact details when they take ownership of the property to ensure they are receiving correspondence via their preferred method.
- 2.6 Southside Housing Association recognises that on occasion owners may experience financial difficulties that affect their ability to pay. We do however encourage owners to contact us as soon as possible to prevent escalation of arrears. Southside Housing Association will provide support and look to make a reasonable arrangement and offer practical advice by signposting to agencies who may be able to assist.

### Debt Management & Debt Recovery

- 2.7 An effective accounting system will be maintained, and we will proactively monitor all factoring accounts. Owners will be provided with a factoring invoice every quarter. For owners who have outstanding balances, they will receive a reminder letter, final demand letter and thereafter communication will be via telephone call/email/text to establish reason for non-payment. Owners whose accounts are in arrears will be actively pursued and we will work with those owners in financial difficulty to manage their debt and clear their account.
- 2.8 In order to effectively manage factoring debt, we will engage in prompt and consistent debt recovery actions in accordance with our debt recovery procedure.
- 2.9 Demand for payment letters which are sent by solicitors' following reminders by SHA, will be recharged to owners' accounts at a cost of £20 +VAT per letter. Should the debt be over £500 or not be decreasing over a reasonable period, SHA may pursue a Notice of Potential Liability (NOPL) which acts a security over the title of the property. This may affect/restrict the owner's ability to sell their property, and owners will be liable for all costs incurred in arranging a NOPL.
- 2.10 Every reasonable effort will be made to recover outstanding sums including all legal fees. In the event where there is no means of recovery, or it is not cost effective to pursue the debt further debts will be written off for former owners only.

### **3 Disputed Debt**

- 3.1 Any disputed charges on an invoice should be raised within one month of the date of invoice in line with our terms and conditions. The relevant staff member will investigate the disputed charge and notify the owner of the outcome. No action will be taken against the owner in respect of the disputed charge until the outcome of investigation has been reported to the owner. We would aim to respond within 5 working days however if the investigation was to take longer this would be communicated to the owner. All other charges on the invoice should be paid by the owner in the meantime. In the event a dispute remains unresolved the owner will be provided with information in respect of Southside Housing Association Factoring's Complaints Procedure and invited to make a complaint.
- 3.2 In the event the owner fails to make a complaint within seven working days of the outcome having been reported or fails to escalate a complaint to the First-tier Tribunal (FTT) and fails to make payment, Southside Housing Association Factoring will resume its debt recovery procedure.

### **4. Scope**

- 4.1 This policy applies to the recovery of factoring arrears and all associated costs including Management Fees and recharge of Building Insurance, Common Cleaning, Ground Maintenance, Lift Maintenance, Estate Caretaking, Repairs, Improvement Works and Major Repairs.

### **5. Legal and regulatory framework**

- 5.1 Southside Housing Association will operate within the legal framework, including the Property Factors (Scotland) Act 2011, Code of Conduct for Property Factors, Title Conditions (Scotland) Act 2003 and Tenements (Scotland) Act 2004.
- 4.2 Southside Housing Association will comply with the Data Protection Act 2018 and Prescription and Limitation (Scotland) Act 1973

## **5. Responsibilities**

- 5.1 The Management Committee of Southside Housing Association will be responsible for agreeing the Factoring Debt Recovery Policy and any subsequent review.
- 5.2 The Finance and Corporate Services Sub Committee of Southside Housing Association will monitor the implementation of the Policy by reviewing the quarterly Finance and Arrears Performance report.
- 5.3 The Finance and Corporate Services Sub Committee of Southside Housing Association Factoring will agree prior to the financial year end any write offs.
- 5.4 The Director of Finance and Corporate Services will oversee implementation of and adherence to this policy whilst the Customer Service Manager and Factoring Team will ensure day to day compliance.

## **6. Review Date**

- 6.1 This policy will be reviewed in 2028 and every three years thereafter unless changes in legislation, regulatory guidance or good practice require an earlier review.

## **7. Related Policies and Procedures**

Complaints policy  
Debt recovery procedure

## Contact Us



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