



Income Team

Debt, Service Charge, and other Arrears Policy

Regulation and Legislation	This policy links to Housing Act 1985, 1988, 1996, 2004 & 2016, Civil Procedure Rules 1998, Pre-Action Protocol for possession claims by Social Landlords, Pre-Action Protocol for Debt claims, Equality Act 2010, Coronavirus Act 2020, Prevention from Eviction Act 1977, Welfare Reform Act 2012, Homeless Reduction Act 2018, The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) Regulations 2020, Renters Rights Act 2025 & RSH Standards Procedure & Guidance 2018
Supporting documents	Debt, recovery procedure, Allocations and Letting of Homes policy, Priority Move Procedure and Former Customer Arrears and Credits policy. Reviewing Tenancies Procedure, Deceased Customer and Succession Procedure, Income Eviction Procedure and the Court Cost Procedure
Scope	This Policy outlines the key principles in managing arrears and should be followed in conjunction with the relevant procedures, and linked policies.
Reference to “Orbit” means Orbit Group which consists of Orbit Group Limited, Orbit Housing Association Limited, Orbit Homes (2020) Limited, Orbit Treasury Limited and Orbit Capital Plc.	

1. Introduction

- 1.1 Orbit relies on its income to achieve its ambition of building thriving communities, in alignment with our 2030 strategy. The primary source of income comes from our customers in terms of rent, service charges, and other charges for services. This policy sets out the main principles to maximise income by being proactive in arrears prevention and recovery, ensuring we can continue to support our long-term goals and provide amongst the best customer experience of any housing association in the country by building and maintaining safe, quality homes that our customers love.
- 12 We are committed to working to help all customers sustain their homes and tenancies, while also ensuring that we take all reasonable steps to recover rents owed to us. This approach is crucial for protecting Orbit and enabling us to deliver more new homes, better services, and ongoing support for our customers, as outlined in our 2030 strategy.
- 13 We will focus on arrears prevention and promote a payment culture. We will ensure both new and existing customers understand the connection between making payments and Orbit’s ability to provide high quality services.
- 14 We understand that some of our customers may be some of the most vulnerable members

of society and we will strike a balance between effective recovery of our charges and supporting our customers to enable them to meet their payment obligations.

- 15 In addition to our preventative approach to arrears, we will also establish early contact with customers to resolve outstanding debts before they escalate which would increase the customer's vulnerability to repossession action or other enforcement proceedings. We will ensure that our bad debt levels are minimised through early and proactive contact and enforcement. This will be achieved with technology such as automated escalation procedures, which may include the use of intelligent telephony systems.
- 16 We will be mindful of a customer's ability to meet their financial obligations with us before entering into any occupancy agreement, and this will be reflected in our lettings and allocation activity. We understand that a failed tenancy due to debt may make it difficult for customers to secure accommodation in the future. We will not enter into agreements which are unaffordable and as such make a customer's long-term circumstances worse.
- 17 We will work within the requirements of the pre-court action protocols and the current housing and other legislation relating to tenancy and debt management including Breathing Space Legislation 2021.

2. Definition

- 2.1 This policy applies to all debt collected from current tenants and homeowners. It includes service charge and support charges (for example for a scheme manager in a sheltered scheme) and other debts such as care and wellbeing charges and activity charges connected to an occupancy agreement. Debts relating to former customers are dealt with in accordance with our former tenancy arrears and credits policy. It does not apply to our commercial properties, private rented sector stock or other non-standard agreements, which will be covered by the terms of the agreement/lease.

3. Policy Statement

- 3.1 We will tailor our approach to the type of agreement we have with our customers, understanding that the circumstances of customers in our general needs accommodation may vary from those in supported housing, sheltered housing and leaseholders (and similar homeowner agreements).

3.2 Making our requirements clear.

Our agreements will make our payment requirements clear. We will always seek payment when due and ensure that we clearly explain our payment options. We will promote a payment culture, making it clear that payment in arrears is not acceptable and ensure that we explain clearly what action we intend to take if payments are not made on time.

- 3.3 We will work in partnership with our Local Authority and Department for Work and Pensions partners. However, we will make it clear to customers that we are unable to assume responsibility for their personal claim for any benefits and payment of rent and other charges on time always remain their responsibility.

3.4 **We will provide information.**

We will ensure that customers can access their accounts online to monitor their account with us. Upon request, we will provide a printed statement. Where a customer is in arrears, we will comply with the specific requirements of the pre-court action protocol in terms of proactively issuing statements.

3.5 We will actively promote and direct customers to both our own and external advice services related to debt management, benefit entitlement, employment support, and other tenancy support where available. This advice will be readily accessible on our website and will be highlighted by our colleagues to ensure that customers can access these services before experiencing further financial difficulties.

3.6 We recognize that the transition from Housing Benefit to Universal Credit is a significant change for many of our customers. We will offer information and support to customers who may be affected as the Department for Work and Pensions release rollout schedules, or where we become aware that a customer has applied for Universal Credit. Universal Credit Customers will always be expected to maintain their rent payments when due in accordance with their tenancy conditions.

3.7 **We will be supportive.**

Where a customer falls into arrears, we will offer suitable repayment options. These will be mutually beneficial, striking a balance between affordability, enabling customers to better their circumstances and ensuring that debts are repaid in a reasonable period. We will not enter into agreements where it would take a long time to clear the debt or where a customer has a history of failing to maintain previous repayment agreements. The criteria will vary between differing tenancy/agreement types and consider the support needs of the customer.

3.8 **Managing non-payment.**

Where a customer falls into arrears, we will establish contact and ask them to clear the balance. We will always start from the position of requesting payment in full and remind the customer of their obligations under the agreement they hold with us.

3.9 We will consider the customer's history in terms of payment, and where considered a high-risk, perhaps through repetitive arrears episodes we may escalate our recovery procedures and direct support services accordingly.

3.10 Where we believe there is a reasonable prospect of recovery with a Money Judgement Order not attached to possession proceedings, we will use this route. This is likely to be the preferred option for homeowners and leaseholders, where a mortgage provider may pay off the arrears if a money judgement is obtained. If we wish to apply for an attachment of earnings order this will be considered. Furthermore, where we have been unsuccessful at recovering leasehold debts, we will seek forfeiture of lease.

Before considering possession proceedings in relation to a shared owner property where there is an outstanding mortgage, we will first give notice to the Mortgage Lender of our intention in line with any mortgage undertaking we have supplied.

We will subsequently defer possession proceedings if the Lender wishes to proceed with repossession of the property.

Orbit will consider the use of a warrant of control on a case-by-case basis. All requests to issue a warrant of control will be the exception and will be first escalated for approval to the Head of Service and then the Director of Housing Services.

- 3.11 In cases of service charge arrears and ground rent, we may apply for a charging order, which places a charge on the individual's property. This order does not compel immediate payment but remains on the property until it is sold, at which point the debt will be recovered from the property's equity. However, if the debt reaches a level that we deem reasonable to pursue an order for sale, we will take action to force the sale of the property to recover the debt.
- 3.12 We will evaluate the costs involved when deciding on the most cost-effective recovery route. If the debt is minimal and all recovery attempts have been exhausted, we may choose to withhold enforcement action. This decision will be at Orbit's discretion, and enforcement may be reinstated if the customer later seeks additional services from us, such as moving to an alternative property or requesting a non-landlord obligation service.
- 3.13 Attempts to negotiate arrears payment agreements will continue, where possible, alongside any legal action. When all other reasonable options have been exhausted, possession proceedings will be instigated as a last resort.
- 3.14 We will use mandatory and discretionary grounds for possession where available, including accelerated possession proceedings where the nature of the agreement allows this. Where a customer has relevant additional support needs mandatory and accelerated proceedings will only be used with approval from an Income Manager, having undertaken a case conference and considered all other options available. Decision-making will be fully documented in all such cases.
- 3.15 Where a customer causes us significant housing management costs through erratic and inconsistent payments, or persistently and willfully withholds payment until court proceedings are instigated, we may seek possession through the courts even if they subsequently clear their arrears. A Head of Service will approve such actions to ensure that appropriate safeguards are in place.
- 3.16 We may withhold certain property improvement works at our discretion in the event of non-payment.
- 3.17 We will support and work with Local Authorities to assist them in fulfilling their duty to prevent homelessness. We will also work with social services departments and managing agents to ensure that customers with support needs are supported, and any potential safeguarding requirements are highlighted and addressed in line with our commitment to refer.

3.18 We will not write off a debt that is subject to a Bankruptcy or Debt Relief Order where payment was due under the terms of a current tenancy agreement. We may take legal action in relation to the debt for breach of tenancy conditions if necessary.

3.19 **Managing credits.**

We expect our customers to manage their rent account.

We encourage our customers to maintain payment when due in line with their tenancy agreement or lease and recognize that some customers like the security of ensuring that there is a small buffer of credit on their account in the event of any issue or benefit payment problem.

We will not generally incur costs to prompt customers to seek a refund, although we will remind them of the credit on the termination of their agreement with us.

We define excessive credit as over £1000 or over 5 weeks in charges where this exceeds £1000. Where we determine that credit is excessive and we believe that a credit could be maintained to obtain benefits (by concealing savings from the benefit authority) or for money laundering purposes, we will contact the customer to carry out investigations and insist that the credit is removed when necessary.

For cases with excess of £1000 and over 5 weeks credit exceptions can be made in circumstances such as students paying in advance with their annual bursary after evidence has been provided to support the reason for pre-payment.

4. **Data retention**

Data, documents and information relating to the tenancy will be retained for the duration of the tenancy in accordance with Orbit's data retention schedule and legal obligations. Where there is a balance outstanding when an account is terminated the data will remain until such time as the debt is repaid or written off. Details of Court Orders will be retained for the duration of the tenancy and for any remaining timeframe relating to the 6 year order.

5. **Performance Controls and Business Risk**

- 5.1 Compliance with this policy will be monitored by Income Collection and Recovery Managers, Advisory Enforcement Services Manager and Legal Enforcement Team Leaders in line with our performance monitoring framework as agreed with Audit and reported to the Head of Income & Advisory Services.
- 5.2 Performance in the delivery of the service will be reported to and scrutinized by Committee and Board.
- 5.3 Performance will be shared through monthly KPI reporting to, C&CLT, CPLT, HOS and directly to Income collection and recovery teams.
- 5.4 Orbit will carry out a fundamental review of this policy every three years subject to legal, regulatory changes or in accordance with the agreed Policy Review programme.

6. Essential information

- 6.1 All Orbit policies and procedures are developed in line with our approach to the following, data protection statement, equality diversity and inclusion (EDI) approach, complaints policy and our regulatory and legal obligations to ensure we deliver services in a lawful manner and treat people equally and fairly. Orbit's privacy policy can be accessed on our website www.orbitcustomerhub.org.uk/publications/policies/

EA	Equality Analysis was completed in February 2022 and full reviewed in September 2025 and is available to view.
DPIA	A DPIA was approved in December 2021 and reviewed in full in September 25 and is available to view.
Consultation	Internal: People Development, CC, Finance, GIS, Successful Tenancies, Advisory and enforcement Services, Later Living, Empty Homes and Lettings, Neighborhoods and Communities, Information Governance and Audit.
	External: Customer have been involved by engagement and feedback through the Service Improvement Group by influencing policies and services as per the HCA standards.
Applies to	Orbit Income and Advisory Services, Successful Tenancies, Empty homes and Lettings, Neighborhoods and Communities, Leasehold & Home Ownership Services, Orbit Later Living.

Document control

Status

Approved

Date Issued

Jan 2026

Version

V3.01

Revision

Uncontrolled if Printed

Title	Debt, Service Charge & other Arrears policy			ID	39
Doc Type	Policy	Review Cycle	3 Yearly		
Circulation	All Departments	Classification	Public		

Doc Level 3

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Directorate

Date

Approved by	Director of Housing Services	January 2026
Next review		Sept 2028

Revision History

Version Number	Date	Comments / Reason for revision
V1.1	20/11/2020	Moved to current template
V2.0	07/02/2022	Full review and no change except change of template
V2.1	May 2023	Change to section 3.18 to align with procedure and work instruction along with recommendations from compliance checks
V2.2	May 2023	Changes to 3.10 in relation to Mortgage Protection Clause, added sustainment principle, changes to planned works principle.
V3	September 25	Alignment with 2030 strategy and Income and Advisory and Neighbourhood transformations. Aligned to new GSO committee requirements. Rephrasing of rent in advance to rent when due to better illustrate requirements and avoid misinterpretation.
V3.01	December 2025	Changes to 3.10 to in relation to notice period under mortgage protection clause and process regarding warrants of control. Addition of 3.18 to clarify position in relation to DROs. Update to regulation.