



## Former Customer Debt & Credit Policy

<b>Regulation and Legislation</b>	This Policy links to: Housing Act 1985, 1988, 1996, 2004 & 2016, Civil Procedure Rules 1998, 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) Regulation 2020 & RSH Standards Procedure & Guidance 2018
<b>Supporting documents</b>	Debt Service Charge and other Arrears Policy, Debt Collection and Recovery Procedure, Allocations and Lettings Policy, Former Customer Debts and Credit Procedure, Group Standing Orders, Deceased Customers and Succession Procedure.
<b>Scope</b>	This Policy outlines the key principles in managing former customer debts and credits left on the account when a customer leaves a property or service. It Should be following in Conjunction with the relevant procedures and linked policies. It sets out behavior expectations across the organisation and communicates key principles and policy roles and responsibilities.
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 This policy supports our 2030 strategy by ensuring sustainable income streams through proactive arrears recovery. By maximizing income from rent, service charges, and other fees, we can reinvest in community development projects, enhance our services, and maintain high-quality living standards for our residents. This approach secures our financial stability and enables us to plan and execute initiatives that contribute to the well-being and growth of our communities.
- 1.2 As a Registered Provider, Orbit is accountable to its Lenders and to Homes England. We are measured on our performance in collecting our income and on the amount of debt that is written off each year. The aim of this policy is to maximise former customer debts recovery, and to clarify when writing off the debt is the most practical option.

### 2. Definition

- 2.1 A former tenant arrear is defined for the purposes of this policy as a debt of unpaid rent or charges, remaining on a rent account (including homeowner accounts), garage accounts, court costs and/or sub account(s), when a tenancy (or similar agreement) has been terminated.

- 2.2 A former customer credit is defined as an amount of surplus remaining on a rent account, or any sundry accounts, or subaccount when a tenancy has been terminated.

### **3. Policy Statement**

- 3.1 The approach an organisation adopts towards recovering former customers debt sends out a strong message to current customers about the importance of paying rent and other charges.
- 3.2 Vigorous and early pursuit of former customer debt provides the best chance of successful collection and should be central to procedures supporting this policy.
- 3.3 All colleagues advising customers on the termination of their tenancy or other agreement will notify customers of any debt or credit outstanding.
- 3.4 The costs of pursuing former customer debt will be balanced against the likelihood of recovery and the level of debt involved. The cost effectiveness of pursuit and collection will be fully considered at all stages. Where it is considered that recovery of a debt is unlikely, or not cost effective, it will be written-off according to Group Standing Orders.
- 3.5 We will engage with third parties who are assisting former tenants with their affairs.
- 3.6 Where a former tenant is vulnerable then consideration is given to the most appropriate means of communication and collection, which will include consideration of recommending the debt for write-off. This will be assessed on a case-by-case basis and in accordance with our Group Standing Orders.
- 3.7 Any credit on an account will be refunded on request, subject to the clearance of any outstanding debts and, where applicable, obtaining confirmation from the Housing Benefit or Universal Credit administering authorities, that they do not intend to recover any monies from us in respect of overpayments.
- 3.8 In keeping in line with our current Debt Service Charge and other Arrears Policy we expect our customers to take responsibility for fulfilling the terms of their tenancy agreement, which includes managing their payments to meet their payment obligations. We will not incur expenditure to proactively pursue customers to remind them that their account is in credit where there is a small credit on their account. Where we do pursue customers to advise them of a credit, contacts will be limited and not repetitive, considering the cost to the organisation. We will not incur tracing costs to refund a customer. We will use a Tracing Agent if after termination payment continue and we are unable contact the customer to stop or block receipt of ongoing payments, and the balance is in excess of £1000..
- 3.9 Where a debt has been written off as unrecoverable, we may subsequently pass the debt to a further collection agency at any time to make further attempts to trace the debtor and recover the debt, subject to the statute of limitations. Any collections on this basis will go to offset our bad debt provision.
- 3.10 Where appropriate, and where this will improve efficiency, Orbit will employ specialist tracing and collection agents.

- 3.11 Orbit will consider the use of a Warrant of Control as a tool for collecting former customer arrears, this action will be taken on a case-by-case basis.

All requests to use 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 Service.

- 3.12 If a former customer debt has been written off as uncollectable, and the customer concerned subsequently re-applies for housing and declares a previous tenancy or agreement the debt will be re-instated if it is considered that there is a reasonable expectation of recovery. Similarly, if any other circumstances change which would make a previously written off debt recoverable, the debt will be re-instated and pursued, except where collection is already being pursued by an agent working on our behalf.
- 3.13 A recommendation to write off a former customer debts or credit will be made according to the current procedures and Group Standing Orders.
- 3.14 If a customer with debt on the account is transferred to a new Orbit property on management grounds, for example, serious anti-social behaviour or domestic violence, due to the issue of a new tenancy or in accordance with our Priority Move Policy then terms to clear the former debt created by the move should be agreed and confirmed in writing before the transfer occurs.

## **4. Data retention**

Data, documents, and information relating to the debt will be retained for six years from the last contact with the customer acknowledging the debt in accordance with Orbit's data retention schedule and legal obligations. We will monitor any debt collection agents to ensure they comply with the Statute of Limitations.

## **5. Performance Controls and Business Risk**

- 5.1 Compliance with this policy will be monitored by The Income Collection and Recovery Compliance Manager. Performance in the delivery of the service will be assessed by the Head of Income & Advisory Services and Director of Housing Services.
- 5.2 Performance in the delivery of the service will be reported quarterly to and scrutinised by the Executive Team and the Common Board.
- 5.3 Performance will be shared through monthly KPI reporting to CCB, SMT, ET along with CSD HOS and direct to Income Collection & 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 and customer care 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/](http://www.orbitcustomerhub.org.uk/publications/policies/)

<b>EA</b>	Equality Analysis was reviewed in August 2025 and is available to view.
<b>DPIA</b>	A DPIA was approved on 10.12.2021, reviewed in August 2025 and is available to view.
<b>Consultation</b>	<b>Internal:</b> Income Department, Customer Care, Finance, Corporate Planning, Tenancy Sustainment, Tenancy Services Independent Living, & Information Governance <b>External:</b> <i>Customers - Service Improvement Group.</i>
<b>Applies to</b>	Later Living, Income Collection & Recovery, Neighbourhood Teams, Successful Tenancy Team, Development Team, Finance, Home Ownership Services, Service Charge Team, CC

## Document control

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Next review		Sept 2028

## Revision History

Version Number	Date	Comments / Reason for revision
V1.1	23/11/2020	Moved to current template
V2	07.02.2022	Reviewed and moved to current template with no changes
V2.1	May 2023	Minor changes made to align with other changes within Income Team suite of documents
V2.2	Sept 2025	Full review, updated to reflect changes in responsibility and role name changes.