



WILLIAMSBURGH  
HOUSING ASSOCIATION LTD

## Factoring Debt Recovery Procedure

Effective From : April 2023

To be reviewed: April 2026

Williamsburgh Housing Association (WHA) has the following Debt recovery procedure in place for factored owners:

Factoring invoices are issued every quarter, as undernoted:

- 1st Quarter: 1st April to 30th June
- 2nd Quarter: 1st July to 30th September
- 3rd Quarter: 1st October to 31st December
- 4th Quarter: 1st January to 31st March

All invoices are payable within **14 days** of issue.

If you are having financial difficulties, we employ a benefits advisor who can offer free debt advice and assist you with any benefits you may be entitled to or put you in contact with other free agencies who would be able to assist.

Where accounts are not settled timeously, or a satisfactory arrangement agreed to clear sums due, action will be instigated, as follows:

**The following steps will be applied to accounts with less than one quarter in arrears. (Where owners have either made no payment, prior arrangement, or are disputing the account):**

- If payment is not made within 14 days of the invoice date, an initial reminder letter (Letter #1) will be issued. This will advise that payment must be made within 7 days of the date of the letter.
- If there is no response to Letter #1, Letter #2 will be issued. This will advise that the account may be passed our solicitor and/or the Sheriff Officer if it is not paid by a specified date (normally within 2 weeks of the date of the letter).

**Further to the above, the following steps will be applied to accounts with more than one quarter in arrears. (Where owners have either made no payment, prior arrangement, or are disputing the account):**

- If there is no response to Letter #2, Letter #3 will be issued. This will advise that if payment is not made by a specified date (normally within 2 weeks of the letter date), the following actions will be initiated:

**Service restrictions:**

- Access to WHA's block insurance policy
- The issuing of new door entry pac keys and
- The use of the door entry release function \*

The account will be passed to our Solicitor or Sheriff Officer, advising of the additional charge to be applied if this course of action is taken.

- If there is no response to Letter #3, Letter #4 will be issued advising the following actions will be initiated:
  - A pre sue action letter will be issued from the solicitor advising that legal action will be raised if no payment or arrangement made.
  - OR
  - A final demand notice served by the Sheriff Officer, advising that legal action will be raised if no payment or arrangement made.
- Once all of the above steps have been carried out and there is still no payment made or agreed payment plan agreed an action will now be raised in court.
- If court action is successful and decree granted, this will be implemented using the appropriate procedures.
- A charge may also be served on the property, by lodging a Notice of Potential Liability of Costs (NPLC).

### **MONITORING OF ARRANGEMENTS**

All accounts will be monitored, and contact will be made with owners who have defaulted on their payment arrangement. If an alternative arrangement is not agreed, owners will re-enter the arrears process at the appropriate stage.

### **\* DOOR ENTRY RELEASE FUNCTION**

In some circumstances we may also arrange for the door release function on your door entry handset to be disconnected. (This will not prevent you accessing your property but will prevent you releasing the door lock from your flat handset.) If we take this course of action a letter will be sent requesting a reply within a specified date (normally 2 weeks), if no response, a card will be hand delivered to the property advising of when the disconnection will take place.

### **ADDITIONAL CHARGES**

If the account is passed to our solicitor to issue a pre sue action letter, an administration fee will apply. This charge will be set by the solicitor.

If an account is passed to the Sheriff Officer, an administration fee will be charged. The charge is the fee set by the Sheriff Officer for serving the notice.

If an action is raised at court and the action is successful, owners will be liable for all legal costs and interest awarded by the court.

If disconnection of the door entry release function is carried out, owners will be charged for the reconnection. This will be the full cost charged by the contractor carrying out the work, in this respect.

### **DISPUTED DEBTS**

If owners are disputing any element of their charges, they may withhold payment of that element and pay the remaining balance due until such time as the dispute has been resolved. The appropriate Department will correspond with owners in relation to their dispute and will advise the Factoring Assistant to hold any action on the account. The Factoring Assistant will be advised when the dispute has been resolved.

If there is no resolution to the dispute, owners may follow WHA's complaints procedure. If owners remain dissatisfied on completion of the complaints procedure, complaints may be redirected to the Homeowner Housing Panel.

### **ARREARS AT POINT OF SALE**

When we are approached by a solicitor for information to progress the sale of a property, the account will be checked. Where there is an arrear in excess of one quarter, Letter SALE-FACT ARREARS will be issued. This will detail the balance of the arrear and any other amount due, including selling fee, and that no information will be provided until this amount is paid in full, or a mandate provided by the solicitor guaranteeing payment will be made in full, from proceeds of sale.