



## Factoring Debt Recovery Procedure

### 1. Introduction

**Ayrshire Housing**, a company incorporated under the Companies Acts (Registered Number SC185652) and having our Registered Office at 119 Main Street, Ayr, and being a recognised Scottish Charity (Charity Number SC027906) and registered Property Factor (registered number PF000260), is committed to the prevention of debt and will adopt a supportive approach to Owners, by providing flexible payment options (where possible) and by ensuring owners are aware of their factoring obligations prior to purchase (where possible).

### 2. Billing Procedure

Owners will be invoiced for the charges they are responsible for and at the frequency identified within their Deed of Conditions and the Written Statement of Services. The charges will be allocated to the Owners in the proportions set out within the Apportionment of Charges annexed to the Written Statement of Services.

Payment of any invoice rendered by Ayrshire Housing will be due within 28 days of receipt.

If payment is received within 21 days of receipt, the overall charge will be reduced by £3.

Owners can pay using any of the following methods: debit or credit card, a direct debit mandate, cheque, or via My Home. Payments made by debit or credit card can be made at our office or over the phone. All cheques should be made payable to Ayrshire Housing and your name, address and account number should be written on the back of your cheque.

You can also make payment of any invoice you receive from us via our free, on-line portal, My Home once you have set up an account. You can set up an account on our website: <https://www.ayrshirehousing.org.uk/> by clicking on My Home. It is simple to register to use My Home. You just require your account number and property details to set up an account. My Home is not just a portal for making payments, it will provide you with 24-hour, on-line access to our services.

### 3. Time to Pay

If an Owner needs additional time to pay, they must contact the Factoring Team to reach an agreement. The Factoring Team can be contacted by telephone on 01292 880 1220 or by email at [info@ayrshirehousing.org.uk](mailto:info@ayrshirehousing.org.uk). If you prefer, you may visit our office to speak directly to a member of staff.

The Factoring Team will consider each case on its own merit, the level of arrears, payment history and any other relevant information. Ultimately, Ayrshire Housing must recover all sums due to maintain a cost effective and efficient service for the Owners.

Any arrangement reached will be documented and monitored by the Factoring Team. Only arrangements that have been agreed and documented by the Factoring team will be honoured.

### 4. Consequences of Failure to Pay

If payment is not received within 28 days of invoice and/or no payment arrangement has been agreed, a first payment reminder will be issued on expiry of the 28-day period.

The first reminder will request that payment is made within 7 days from the date of issue and will detail any applicable late payment fees.

If payment is still not received and/or no arrangement is in place, a final payment reminder will be issued.

The final reminder will request that payment is made within 7 days from the date of issue, will detail any applicable late payment fees and will confirm that legal action may be taken if the account is not settled.

If payment is not received within the timescales prescribed in the final notice the account may be sent to a solicitor or a debt collection agency. The solicitor will then take steps to contact you to request payment and may raise proceedings in order to pursue any sums outstanding together with interest and costs. Ignoring debts can lead to serious problems. You could lose your possessions or savings. There are several processes that Ayrshire Housing can take to get back what is owed. These processes are known as diligences and are usually carried out by Sheriff Officers on the instructions of a solicitor or debt recovery agency.

If the solicitor or debt recovery agency obtain decree (judgement) against the Owner, these are some of the diligences that can be used:

- service of a charge for payment
- bank arrestment - an instruction to a bank to freeze funds in your bank accounts and to release those funds to Ayrshire Housing within 14 weeks
- earnings arrestment – an order requiring your employer to make deductions from your wages
- inhibition – an order to prevent you from disposing of your home or other property that you own
- attachment of goods - the process to secure goods belonging to you

A Notice of Potential Liability ("NOPL") may be registered against Owners where there are high arrears or persistent non-payment of invoices. A court order is not required to register a NOPL.

Please be aware that any costs (including solicitor/debt recovery expenses and the fees associated with the discharge of a NOPL or inhibition) associated with the steps required to pursue any sums due to Ayrshire Housing and judicial interest may be added to the Owner's account.

To prevent escalation of your debt, we may, where appropriate, use any credit on an Owner's account to cover all or part of the monies owed.

## **5. Help with Debt**

If an Owner is struggling with debt and the payment of any factoring fees, advice may be obtained from a solicitor, Citizens Advice Bureau, Money Advice Scotland or other advice agency. The Citizens Advice Bureau and Money Advice Scotland will provide free, confidential and impartial money advice. A solicitor, financial advisor or a debt management company will probably charge you a fee. Getting money advice as soon as possible can help you to deal with your debts and may improve the situation.

## 6. Disputed Debts

To dispute a charge the Owner must provide full details of the invoice or invoices challenged and any evidence to support their position for review by Ayrshire Housing

If an Owner contacts Ayrshire Housing to dispute a charge on their invoice, we will try to resolve the issue.

Upon receipt of details of the dispute Ayrshire Housing will contact the Owner to confirm who within the Factoring Team has been appointed to investigate matters.

We aim to respond with a full explanation confirming the outcome of the investigations within the timescales set out in our complaint's procedures (Section 7 of our Written Statement of Services) before taking debt recovery action.

If further information is required for a resolution, then steps will be taken to request this. Meantime, a dispute will be raised on the Owner's account for the disputed charge(s) only.

If the investigation finds the charge is not valid, then credits will be issued to the Owner's account. Any credits will show on the next invoice.

If the investigation finds the charge is valid, then the reasons why will be detailed in a dispute outcome letter issued to the Owner. Any debt that is not disputed remains due and the steps detailed within this procedure will be followed, including any legal/debt recovery action.

If any Owner is not satisfied with the outcome of the investigation into the disputed debt, they may in certain circumstances make an application to the First-Tier Tribunal. Whilst such an application is on-going, we will not apply interest or late payment charges in respect of the disputed items during the period that the Tribunal is considering the case.