

Factoring Debt Recovery Policy

Prepared by	Finance Director
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Reviewed by	Management Committee

Corporate fit	Risk Register	✓
	Business Plan	✓
	Equalities Strategy	✓
	Legislation	✓

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乐意翻译

Our policies provide a framework to underpin our vision and values, to help us achieve our strategic objectives.

Our Vision

Local people, local control.

By providing quality homes and services, we will create stronger communities and a better quality of life for our customers.

Our Values

- Focused on the needs of our customers and communities.
- Supportive of our staff and Committee members.
- Responsible, efficient, and innovative.
- Open and accountable.
- Inclusive and respectful.
- Fair and trustworthy.

Strategic Direction

Consolidation and improvement: Applicable to our core business as a landlord & property manager.

Growth: Through the new build opportunities, we are taking forward.

Partnerships: Where this can help to address shared goals and increase capacity and value.

Resilience: A key priority across all parts of our business.

Strategic Objectives

Services: Quality value for money services that meet our customers' needs.

Homes & neighbourhoods: Quality homes and neighbourhoods.

Assets: Manage our assets well, by spending wisely.

Communities: Building a stronger community through partnerships.

Our people: Great workplace environment.

Leadership & Financial: Well-governed and financially sustainable.

Our Equalities and Human Rights Commitment

We understand that people perform better when they can be themselves and we are committed to making the Association an environment where employees, customers, and stakeholders can be open and supported. We promote equality, diversity, and inclusion in all our policies and procedures to ensure that everyone is treated equally and that they are treated fairly on in relation to the protected characteristics as outlined in the Equality Act 2010.

Privacy Statement

As data controller we will collect and process personal data relating to you. We will only collect personal information when we need this. The type of information we need from you will vary depending on our relationship with you. When we ask you for information, we will make it clear why we need it. We will also make it clear when you do not have to provide us with information and any consequences of not providing this. We are committed to being transparent about how we collect and use your data, and to meeting our data protection obligations with you. Further information about this commitment can be found within our full Privacy Statements.

Policy Scope & Review

For the purpose of this policy the term Association will include all members of the Tollcross Housing Association Limited. Therefore, all employees, governing body members, volunteers, customers and other relevant stakeholders will be expected to adhere to this policy and/or procedure. All policies and procedures are reviewed every 3 years in line with best practice and current legislation. The Association reserves the right to make additions or alterations to this policy and procedure from time to time. Any timescales set out in this policy may be extended where required.

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1. Introduction

- 1.1. Tollcross Housing Association (THA) is a registered social landlord and registered property factor, providing a comprehensive property management service to over 600 owners, both residential and commercial in the east end of Glasgow. Our Property Factor Registration number is PF000261.
- 1.2. THA 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 THA's approach to the recovery of factoring debt.
- 1.3. As property factor, THA is responsible for general management and administration of the common property, invoicing owners and collecting payments for services provided.
- 1.4. Factoring debts arise when an owner fails to make payment for issued accounts. In situations where an owner has refused, or believe themselves unable to pay, THA must recover all sums due, using any legal means.
- 1.5. THA aims to provide an efficient and effective factoring service to the owners within our area of operation and thereby help to maintain the standard of property available to residents. To provide value for money, it is essential that the occurrence of bad debts is kept to a minimum and this therefore requires a robust but sensitive approach to debt management and recovery.

2. Aims and Objectives

- 2.1. The aims of this policy are:
 - Debt prevention: to promote the earliest possible action to prevent the occurrence of factoring debt, including advising new customers of their obligations and of the services provided by us and ensuring that a range of payment options are available to them.
 - Debt management: to utilise a fully integrated IT based debt management system to enable staff to manage debt cases.
 - Debt recovery: to initiate prompt and consistent debt recovery procedures, through internal efforts and through legal proceedings, if required.
- 2.2. The objectives of this policy are to ensure that:
 - factored owners are provided with clear information on the courses of action that they can take when faced with difficulty in settling accounts.
 - individual owners are contacted as soon as debts arise, inviting further contact to discuss the situation by telephone or in person.
 - a staged and consistent approach is taken in which action is targeted and recorded.
 - owners who are in debt are signposted to the available debt counselling services.

3. Debt Prevention

- 3.1. Prevention and early intervention are key to the success of debt recovery, and we will only raise court actions as a last resort. This will be achieved through robust monitoring making it possible to identify issues before they escalate.
- 3.2. To prevent debt arising, THA will:
- ensure that all charges have been set and apportioned in line with the Deed of Conditions.
 - review charges annually, to ensure that changes in service levels and costs are accounted for.
 - issue factoring invoices, clearly detailing work carried out, the owners share of costs and the current total outstanding balance on a quarterly basis.
 - use our website to advertise a variety of ways for owners to make payments towards their accounts.
 - provide payment plan options for owners, as detailed in Appendix 2.
 - ensure that payments are credited to owner's accounts within one working day of the payment being received by us.
 - ensure that the owners provide us with their contact details when they take ownership of the property and ensure they are receiving correspondence via their preferred method.
- 3.3. THA recognises that on occasion owners may experience financial difficulties that affect their ability to pay. We encourage owners to contact us as soon as possible to prevent escalation of debt and will provide support, look to make a reasonable arrangement, and offer practical advice by signposting to agencies who may be able to assist.

4. Debt Management

- 4.1. An effective accounting system will be maintained to manage factoring debt. The information contained in the system will be kept up to date, subject to homeowner notification of a change, to ensure that all owner's details and all information in relation to a property's share of costs are accurate.
- 4.2. To effectively manage factoring debt, we will proactively monitor all factoring accounts and engage in prompt and consistent debt recovery actions in accordance with our debt recovery procedure.

5. Debt Recovery

- 5.1. Where factoring debt does arise, THA will take early initial and follow-up action to recover the amount due and to prevent the balance from increasing.

5.2. Invoices issued by THA are payable in full within 28 days of the invoice being issued. To prevent debt escalating and to reinforce to the customer that debt will be dealt with as a matter of priority and in a consistent manner we will:

- advise of the outstanding balance and urgent need for settlement.
- advise of the potential consequences of non-payment.
- invite contact to establish any reasons for non-payment.

5.3. The above information will be delivered by way of a first reminder, being issued 30 days after the invoice has been sent out and a final reminder which will be issued after a further seven days, if no payment or contact has been made by the owner.

An administration fee, as agreed annually by the Management Committee will be added to the next factoring invoice in cases where a final reminder has been issued

5.4. If contact is made by the owner following the issue of a reminder letter, THA will:

- confirm in writing the arrangement made with the debtor to pay the debt, including amounts and timescales.
- confirm the monitoring arrangements put in place for the arrangement made and the consequences of breaching the arrangement in any way, unless by prior written agreement.

5.5. If a payment arrangement is adhered to and new invoices are paid as due, no further recovery action will be required.

5.6. If no contact is made or payment arrangements are broken, THA will appoint legal representation to instruct court action to seek Decree. Once recovery action commences, legal and court costs will start to accumulate, and these costs will be added to the debt and be recovered from the owner. This information will be made clear in the final reminder previously issued.

5.7. In cases with debts of £500 or more, or where the debt is not reducing over a reasonable period, THA will register a Notice of Potential Liability against the property. The cost of doing this will be re-charged to the owner, in the next factoring invoice and the Notice will be renewed every three years, if appropriate.

5.8. Once a decree is granted, if full payment (including court/legal costs) is still not forthcoming, either in total or by means of an agreed repayment plan, we will instruct our legal representatives to carry out debt enforcement action. This may include, but is not restricted to:

- arrestment of wages.
- arrestment of bank accounts.
- arrestment of rent.
- attachment orders.
- inhibition on property.
- sequestration.

6. Interest

- 6.1. THA reserves the right to charge interest in accordance with the title deeds or where the title is silent at the rate of 6% per annum, on all sums payable by owners which are not paid on the due date if an agreed repayment plan is not in place.

7. Disputed Debt

- 7.1 Any disputed charges on an invoice should be raised within 14 days 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 five 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 THA's Factoring Complaints Procedure and invited to make a complaint.
- 7.2 In the event the owner fails to make a complaint within five working days of the outcome having been reported and fails to make payment of the balance due, THA will resume its debt recovery procedure.
- 7.3 Disputes in relation to any non-factoring related issues, e.g., anti-social behaviour, will not prevent THA acting in terms of this policy.

8. Staff Training and Responsibilities

- 8.1. THA will ensure that all staff who are likely to deal regularly with enquiries in relation to factoring debt are aware of the debt recovery policy and procedures.
- 8.2. THA will also ensure that the relevant staff have the required training in the use of the IT based factoring management system.
- 8.3. Responsibility for the implementation of this policy is delegated to the Finance Director.

Appendix 1 – Equality & Human Rights Impact Assessment

Policy	Factoring Debt Recovery Policy		
EIA Completed by	Tom Hastings, Finance Director	EIA Date	16/02/2026
1. Aims, objectives, and purpose of the policy / proposal			
Per Section 2 of the Policy			
2. Who is intended to benefit from the policy / proposal?			
Customers who use our factoring service and staff who provide the services.			
3. What outcomes are wanted from this policy / proposal?			
For service users and staff to understand the association's approach to the recovery of factoring debts.			
4. Which protected characteristics could be affected by proposal?	<input type="checkbox"/> Age	<input type="checkbox"/> Gender reassignment	<input type="checkbox"/> Religion or belief
	<input type="checkbox"/> Disability	<input type="checkbox"/> Marriage & civil partnership	<input type="checkbox"/> Sex
	<input type="checkbox"/> Race	<input type="checkbox"/> Pregnancy and maternity	<input type="checkbox"/> Sexual orientation
5. If the policy / proposal is not relevant to any of the protected characteristics listed in part 4, state why and end the process here.			
The policy does not treat service users differently based on any of these characteristics			
6. Describe the likely impact(s) the policy / proposal could have on the groups identified in part 4			
Not applicable			
7. What actions are required to address the impacts arising from this assessment? (This might include; collecting data, putting monitoring in place, specific actions to mitigate negative impacts).			
Not applicable			
8. Consider the impact and actions to be considered for the following Human Right articles:			
Article 6: Right to a fair trial			
Everyone should be given the opportunity to participate effectively in any hearing of their case and present their side.			
Impact: N/A	Actions:		
Article 8: Right to respect for private life, family life & the home			
Everyone has the right to access and live in their home without intrusion or interference.			
Impact: N/A	Actions:		
Article 14: Prohibition of discrimination			
Everyone has equal access to the other rights contained in the Human Rights Act.			
Impact: N/A	Actions:		

Appendix 2 – Payment Plan Options

1. New owners

- 1.1 All new owners will be encouraged to set up a payment plan to cover future factoring invoices.
- 1.2 THA will advise the purchaser's solicitor with an estimate of the initial invoice and estimated monthly payments required based on the previous four issued factoring invoices, relating to the property.
- 1.3 Payment plans offered to new owners will aim to put the owner's account into credit by enough to clear the first regular invoice issued in respect of their property and thereafter to continually contribute towards future invoices.
- 1.4 The preferred method of payment for payment plans is Direct Debit.
- 1.5 Existing owners, who have no debts and do not pay by Direct Debit, will also be encouraged to begin a payment plan.

2. Cyclical, reinvestment, improvement and major works

- 2.1 In situations where THA has organised cyclical repairs (such as close painting) or major repairs (such as roof replacement), owners will be notified of the estimated cost of these works at the appropriate close meeting.
- 2.2 Owners will be given the opportunity to set up payment plans from the date that the work is approved, so that the estimated cost is cleared by the time the work is complete. If a payment plan is not entered into, THA will expect the full balance to be paid upon invoicing following completion of the work.
- 2.3 These payment plans will be in addition to any normal factoring invoices which will continue to be payable within THA's normal terms.
- 2.4 The preferred method of payment for these payment plans is Direct Debit.