

# Customer Accounts Management Policy

## 1 Purpose

The maximisation of income for both customers and the organisation is a critical business priority. It is critical for MTVH so that we remain financially strong and can continue to invest in our homes and services. This policy covers collecting income from rents, service charges, sundry debts, and other fees and charges. It sets out our approach for maximising income, preventing and managing arrears, and highlighting the support available to our customers.

We understand that there are many reasons why people can find themselves in financial difficulty or debt. We are committed to supporting our customers to help them gain financial independence and choice, sustain their tenancies, and have the chance to live well.

The key aims are to:

- Deliver an efficient and effective approach to income management and debt recovery
- Deliver a fair and consistent approach which balances arrears prevention, recovery, and support
- Focus on early intervention and support which reflects our commitment to creating successful tenancies
- Continually strive to understand and improve our performance and service to our customers
- Make it easy for our customers to pay and access services
- Comply with statutory and regulatory obligations, including the Pre-Action Protocol for Possession Claims by Social Landlords

Definitions of terms used throughout this policy can be found in the **Appendix: Definitions of Terms Used Throughout the Customer Account Management Policy** document, which should be read alongside this policy.

## 2 Scope

This policy applies to:

- All current and past residential customers (including tenants, leaseholders and licensees), across a range of housing types including social housing, supported housing, market rents, shared ownership, and leasehold
- Non-residential commercial units and garages
- Sundry debts – including court costs, major works costs, and chargeable repairs

## 3 Responsibilities

### 3.1 MTVH Responsibilities to our Customers

We are committed to clear, fair, honest, and proactive communication with our customers. Our approach is based on transparency, early engagement and support.

Customers can access their rental statements and account information at any time through our MTVH Online service, with further information available on our website.



As a cashless organisation we do not accept cash payments. However, we offer a range of secure and convenient payment options to make paying rent and charges straightforward.

If an account falls into arrears, we contact customers within 14 days to give them the best opportunity to resolve the issue quickly. Customers experiencing payment difficulties will be treated fairly and with understanding, taking their individual circumstances into account.

Where we are aware that a customer has one or more protected characteristics, we will complete an Equality Act/Public Sector Equality Duty assessment at the earliest opportunity so that we can review and demonstrate how we have tailored our approach.

When customers experience payment difficulties we will:

- Work with them to understand their circumstances including any vulnerabilities or additional needs
- Agree affordable and appropriate repayment arrangements
- Ensure all actions are proportionate and compliant with regulatory standards

Eviction or forfeiture action will only be considered as a last resort after all other options have been explored. We comply with the Pre-Action Protocol when legal action is necessary.

We also provide access to support through our Community Impact Team and partner organisations which may include:

- Financial advice, including help with benefits, budgeting, managing debts and reducing household bills
- Work and skills support
- Assistance with other tenancy sustainment matters

We work closely with local authorities and the Department for Work and Pensions (DWP) to ensure that benefit payments made to MTVH are processed efficiently.

All our colleagues receive training to ensure they have the skills and knowledge required to deliver a consistent high-quality service to our customers. We regularly review our performance to identify where improvements can be made.

Any errors identified will be corrected promptly, and we will use learning from these to continually improve our processes.

MTVH are committed to working collaboratively with customers to maintain clear communication, resolve payment issues quickly, and support them in meeting their payment responsibilities.

We provide data about our customers' rent payments to the 'Rental Exchange' (with consent). This helps improve customers' digital footprint which may enable better access to financial products. Customers can opt out of this at any time.

We are committed to adhering to our policy and procedures. Compliance is maintained through our quality assurance framework, supported by our internal audit programme.

### **3.2 Customer Responsibilities**

Our customers, including those who receive Housing Benefit or Universal Credit, are responsible for paying their rent, service charges, and any other occupancy related charges on time, and in advance, in line with their tenancy, lease, or license.

To make payments as easy and reliable as possible, we encourage customers to use Direct Debit, which is our preferred payment method.

If a customer is unable to make a payment, or their circumstances change, we encourage them to contact us as soon as possible. Early communication helps us to work with customers to find solutions, agree affordable repayment arrangements, and prevent arrears from increasing.

Customers should be aware that rent arrears may affect their ability to apply for a tenancy transfer or mutual exchange until their account is up to date. Any arrears must also be cleared when a tenancy ends.

By staying in regular contact and maintaining payments, customers help keep their tenancy in good standing and ensure that any available support can be provided effectively.

## 4 Our Approach to Arrears Management and Support

### 4.1 New Tenancies

We aim to help new customers avoid arrears from the start and promote a rent first payment culture. Before the tenancy begins, we carry out affordability and benefit checks to ensure payments are manageable.

At sign-up, we expect the first payment to be made and a Direct Debit to be set up. We can also assist with completing a Universal Credit or Housing Benefit claim. If benefit payments are delayed, we can agree a temporary payment arrangement.

If additional support needs or risk to a customer's tenancy are identified, we may offer a referral to our Assessment & Support Team for tailored assistance.

Our goal is to provide clear information, advice and support from the start and throughout the tenancy, helping customers understand their payment obligations, the consequences of non-payment, and preventing arrears.

### 4.2 Helping Customers in Arrears

If an account falls into arrears, action will be taken in line with arrears trigger levels (more than £40 in arrears). We will contact customers promptly, using a variety of methods: telephone, text, email, letter, and pre-arranged or ad hoc home visit. Low level arrears reminders are sent automatically, usually by text, so customers are notified as early as possible.

We encourage customers to talk to us if they are unable to pay so we can get to the root cause of arrears. We are here to help.

We consider individual circumstances at every stage and can make a referral to support services at any point. Support can include:

- Claiming/appealing welfare benefits such as Universal Credit or Housing Benefit
- Accessing debt or budgeting advice
- Applying for grants or other financial assistance
- Helping to reduce household bills

Where appropriate, we can arrange for Universal Credit housing payments to be made directly to us (this is known as an Alternative Payment Arrangement), or for arrears payments via Third Party Deductions.

We will use all reasonable means to engage with customers in arrears.

We can provide a reasonable adjustment to support understanding as set out in the Equality Act 2010. This includes providing information in alternative formats and adapt our communication method where possible at customer request.

### 4.3 Legal Action and Enforcement

We take legal action as a last resort.

A Notice of Seeking Possession (grounds 10 & 11) may be served when an account is four weeks in arrears or payments are consistently late. For a license, a Notice to Quit is served. The type of notice depends on the tenancy agreement.

We will work with customers to avoid legal action wherever possible and will carry out a home visit and support referral before applying to court and before applying for eviction as a minimum.

Where legal action is necessary (for example where there is a high risk of continued non-payment) we will follow the Pre-Action Protocol and will advise customers to seek independent legal advice. Legal action may include, but is not limited to:

- Money judgment orders
- Lease dispute and lease forfeiture
- Possession proceedings - we only use the mandatory ground 8 (Housing Act 1996) for rent arrears in exceptional circumstances and with Director approval
- Attachment of earnings
- Charging orders

Where we take legal action, we will also seek an order for our costs in taking the case to court.

We will consider whether a customer has the mental capacity to defend possession proceedings. If they do not, we will make an application for the appointment of a 'litigation friend' to represent them at court.

If a customer is subject to a Bankruptcy Order, Debt Relief Order or Individual Voluntary Arrangement, we will review whether possession action is required, as unpaid rent remains a breach of tenancy.

For shared owners, we accept one lender payment towards arrears. Additional payments require a risk assessment and Director approval.

Eviction or forfeiture is a last resort and must be approved by the relevant Head of Service. We will notify the local authority homeless department and other relevant agencies of any pending eviction.

#### **4.4 Breathing Space**

We will pause arrears recovery and not discuss arrears while a customer is in a breathing space period. Where appropriate, we may engage with the customer's debt advisor and provide additional support to the customer.

If ongoing rent or service charge payments are not maintained during this period, we may request that breathing space is withdrawn.

Special provisions apply where breathing space is granted for mental health reasons. In these cases, the period can continue for as long as the customer is receiving mental health crisis treatment, plus an additional 30 days.

#### **4.5 Former Arrears and Bad Debt Write Off**

We continue to recover debts owed by former tenants where it is economically viable, which may include using debt collection agencies.

Bad debt provisions exist to manage debts that cannot reasonably be recovered. Write offs occur quarterly.

#### 4.6 Sundry Accounts

Non-rent/service charge costs (e.g. court costs or rechargeable repairs) are charged to a separate sundry account. Support will be provided to customers to agree a repayment plan. In certain circumstances, we may pursue enforcement action.

#### 4.7 Prioritisation of Debts

When a customer has arrears on multiple accounts, we prioritise recovery in the following order:

- Current rent and service charge arrears
- Current garage arrears
- Court costs
- Former rent and service charge arrears
- Former garage arrears
- Rechargeable repairs
- Other sundry debts

#### 4.8 Credit Management

We review accounts in credit regularly to prevent large credits accruing. This protects customers and prevents money laundering through our accounts.

Where a customer has credit on an account and requests a refund, we will check other accounts the customer may have with us before a refund is authorised. Refunds will only be authorised if there are no other debts due to MTVH. We will also check there are no recoverable benefit overpayments before a refund is paid.

#### 4.9 Tenant Welfare Fund (TWF)

This is a discretionary fund, set up by MTVH, to support customers through a period of financial hardship. There are two parts to the fund.

- Part 1 is aimed at reducing arrears, supported by a plan to maintain rent payments
- Part 2 is to address household financial hardship via emergency vouchers, essential household items, and specialist services

The amount available in the fund and the amount that can be awarded is reviewed every year. For customers in arrears, we expect an arrangement to be in place. An award from the fund will usually be accompanied by a support referral to the Assessment & Support Team to ensure any underlying issues are addressed.

The TWF is resourced from former accounts that meet all of the following criteria:

- The account has a credit balance
- The account is more than 6 years old
- Reasonable steps have been taken to contact the former customer

Generally, former customers have 6 years to reclaim credits from a former account (Limitation Act 1980).

If a customer requests a refund, and they have received a payment from the TWF within the previous 12 months, we will recover that payment before processing the refund.

## 4 Background Legislation

This policy complies with the Regulator of Social Housing (RSH) Consumer Standards.

It also complies with the following legislation:

- Housing Acts 1985 and 1996
- Civil Procedure Rules
- Pre-Action Protocol for Possession claims by Social Landlords
- Data Protection Act 2018
- Equality Act 2010
- Social Housing Regulator Act 2023
- Welfare Reform Act 2012
- Limitation Act 1980
- Welfare Reform and Work Act 2016
- Protection from Eviction Act 1977
- Insolvency Act 1986
- Tribunals, Court, and Enforcement Act 2007
- Tenancy Standard 2015
- Money Laundering Regulations 2017
- Office of Fair-Trading Debt Collection Guidelines
- Breathing Space (Debt Respite Scheme)

## 5 Additional Information

Polices that are related to this policy are:

- Rent Setting Policy
- Homeowners Recharge Policy
- Allocations Policy
- Customer Remedies Policy
- Diversity and Inclusion Policy
- Responsive Repairs Policy
- Anti-Money Laundering Policy
- Diverse Needs and Vulnerabilities Policy
- Service Charge Policy
- Treating Customer Fairly Policy Statement

## 6 Our Commitment to Equality, Diversity, and Inclusion

In implementing this policy, MTVH will not discriminate against any colleague, customer, or stakeholder on the grounds of their sex, sexual orientation, gender reassignment status, ethnic origin, age, religious belief, disability, marital status, and pregnancy/maternity.

An Equality Impact Assessment has been completed for this policy and is retained by the Policy Team.

## 9 Key Policy Information

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| Policy Owner                                                                                                                                                                                                                                                                      | Director of Customer Experience                                                                                                                                                                                                                                                                                                                                   |
| Author                                                                                                                                                                                                                                                                            | Head of Customer Accounts                                                                                                                                                                                                                                                                                                                                         |
| Approved by                                                                                                                                                                                                                                                                       | Customer Services SLT                                                                                                                                                                                                                                                                                                                                             |
| Effective from                                                                                                                                                                                                                                                                    | December 2025                                                                                                                                                                                                                                                                                                                                                     |
| Approach to review                                                                                                                                                                                                                                                                | This Policy & associated Procedures will be reviewed as required by the owner for changes in legislation, regulation, and operational need. Any amendments will be appropriately consulted on and signed off before being clearly communicated to customers/residents and colleagues. Next expected review is 5 years from the 'effective date' of this document. |
| This is a controlled document maintained and accessible via MTVH's intranet, The Hub. When viewed outside of the intranet, this document should be checked against the master copy held by MTVH to verify that it is the current version, or it shall be considered uncontrolled. |                                                                                                                                                                                                                                                                                                                                                                   |

## Appendix: Definitions of Terms Used Throughout the Customer Account Management Policy

The table below shows the definitions of terms used throughout the Customer Account Management policy and should be read alongside the policy.

| Term                                          | Definition                                                                                                                                                                                                                                                                         |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Attachment of Earnings Order</b>           | This order instructs an employer to divert money directly from wages to pay back a debt.                                                                                                                                                                                           |
| <b>Bankruptcy Order</b>                       | A court order that formally declares an individual bankrupt.                                                                                                                                                                                                                       |
| <b>Breathing space (Debt Respite Scheme)</b>  | A scheme where an individual can get temporary protection from creditors for up to 60 days while seeking debt advice.                                                                                                                                                              |
| <b>Charging Order</b>                         | A court order that secures a debt against a debtor's property, typically land or other assets, making it a secured debt which the creditor will eventually recoup.                                                                                                                 |
| <b>Debt Relief Order (DRO)</b>                | A formal debt solution that can help individuals with relatively low levels of debt and limited assets. It typically lasts for 12 months and at the end most of the debts are written off.                                                                                         |
| <b>Forfeiture of lease</b>                    | Forfeiture is a legal means to bring a lease to an end in the event of a default by the tenant. This can be done by the landlord by a process called 'peaceable re-entry' or by obtaining an order from the court.                                                                 |
| <b>Individual Voluntary Arrangement (IVA)</b> | A formal agreement between an individual with debt and their creditors to repay the debt over a set period, usually 5-6 years, with the remaining debt potentially written off.                                                                                                    |
| <b>Leaseholder</b>                            | A person who is registered or entitled to be registered as having a leasehold interest in the property at the Land Registry.                                                                                                                                                       |
| <b>Lease dispute</b>                          | Lease disputes arise from disagreements between landlord and tenants, often involving breaches of lease terms, maintenance issues, or disagreements over financial aspects like service charges or rent.                                                                           |
| <b>Licensee</b>                               | A residential licensee is someone who has a license to occupy a room or home. Licensees aren't protected by the same law that protects tenants and have fewer rights.                                                                                                              |
| <b>Litigation friend</b>                      | An individual appointed to represent a party in legal proceedings who lacks the capacity to conduct those proceedings themselves.                                                                                                                                                  |
| <b>Mandatory ground for possession</b>        | This is a ground for possession whereby once proven the court must grant possession.                                                                                                                                                                                               |
| <b>Major works</b>                            | These works can include maintenance and repair, and sometimes improvement, of the exterior and structure of a building and common parts. Major works will not include maintenance and repairs of the 'demised premises' which will normally be the interior parts of the property. |
| <b>Money Judgment Order</b>                   | A county court judgment (CCJ) that orders the tenant to pay back money even if they've left the property.                                                                                                                                                                          |
| <b>Notice of Seeking Possession</b>           | A legal document a landlord uses to inform a tenant that they are seeking to regain possession of the property. It's the initial step in the eviction process and specifies the reasons for seeking possession along with a date after which legal action may be initiated.        |

| Term                                                                 | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Notice To Quit</b>                                                | A legal document used to end a license, or assured tenancy where security of tenure has been lost.                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Pre-Action Protocol for Possession Claims by Social Landlords</b> | This is a required practice arising from the 79 <sup>th</sup> amendment of the Civil Procedure Rules. It outlines specific procedures to be followed before issuing possession proceedings. The aims are to encourage more contact and exchange of information between landlords and social tenants; help landlords and tenants avoid litigation by settling disputes out of court; and support the efficient management of proceedings where they cannot be avoided. |
| <b>Public Sector Equality Duty (PSED)</b>                            | This is a legal requirement for public authorities to have "due regard" to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with different protected characteristics. It is set out in Section 149 of the Equality Act 2010.                                                                                                                                                                           |
| <b>Rechargeable repairs</b>                                          | Rechargeable repairs are repairs we are not obligated to undertake however we may choose to undertake the repair on the customer's request at their cost; or we may need to undertake the repair and charge it back if the customer has failed to rectify a breach.                                                                                                                                                                                                   |
| <b>Service charges</b>                                               | These are the costs for undertaking and providing works, maintenance, management, and services to buildings that are recoverable under the lease/tenancy agreement.                                                                                                                                                                                                                                                                                                   |
| <b>Shared owner</b>                                                  | A person who owns a percentage of their property. Shared owners pay rent on the share they do not own and have a lease agreement with MTVH.                                                                                                                                                                                                                                                                                                                           |
| <b>Social housing</b>                                                | Housing provided for people who cannot afford to rent or buy on the open market.                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Supported housing</b>                                             | Housing that provides accommodation with support to help people live as independently as possible.                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Tenant</b>                                                        | A person who occupies land or property rented from a landlord.                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>The Rental Exchange</b>                                           | A scheme that allows tenants to build a positive credit history by having their rental payments reported to credit reference agencies, like how mortgage payments contribute towards a homeowner's credit score. It is run by a partnership between Experian and Big Issue Invest.                                                                                                                                                                                    |