

Rent Collection and Arrears Policy

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Approval Body: Magenta Board, Leadership Board (full Board or member)	Leadership Board Member	Date Approved by Approval Body:	02/02/2026
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1.0 What is this policy for?

1.1 At Magenta Living, we're committed to helping customers stay on top of their rent and service charges. This policy sets out how we collect rent and service charges, and how we manage any arrears.

Our goal is to keep arrears to a minimum by collecting income in a proactive and supportive way. We'll always work with customers to help them keep their homes.

This policy covers rent and service charge collection and arrears for all tenancy agreements, leases and licences.

2.0 Details of the policy

2.1 At Magenta Living, we want to make it as easy as possible for customers to pay their rent and service charges. Our aim is to:

- Maximise rent and service charge collection, and keep arrears to a minimum
- Offer tailored support and advice to customers who fall behind, helping to prevent formal arrears action
- Treat all customers fairly and consistently
- Follow all legal and regulatory requirements

- Encourage early and positive payment habits
- Use data to guide proactive support and early intervention
- Build trust and be open with our customers
- Provide expert advice on Financial Inclusion and Welfare Benefits
- Set clear targets and regularly check how we're doing on rent collection, arrears, and customer satisfaction

2.2 This policy applies to the collection of:

- Rent and service charges for current and former tenants across:
 - Social Housing
 - Home Ownership
 - Care & Support
- Garages
- Sundry accounts, such as:
 - Home contents insurance
 - Court costs accounts
 - Garden maintenance accounts

This policy doesn't cover commercial lettings or other types of finance invoicing.

2.3 Paying rent on time matters

All customers agree to pay their rent on time when they sign their tenancy agreement. If rent isn't paid, it breaks the terms of that agreement.

At Magenta Living, we ask all customers to pay their rent in advance unless they receive full Housing Benefit or Universal Credit, as these benefits are paid in arrears.

The amount you need to pay in advance depends on how often you choose to pay your rent.

- Customers who pay weekly need to pay 1 week's rent in advance
- Customers who pay fortnightly need to pay 2 weeks' rent in advance
- Customers who pay every 4 weeks need to pay 4 weeks' rent in advance
- Customers who pay monthly need to pay 1 month's rent in advance

At Magenta Living, we encourage a "rent first" approach. That means we work hard to build strong, respectful relationships with our customers, while following a clear and fair process to manage arrears.

2.4 Ways to pay your rent

We offer a range of ways to pay, so you can choose what works best for you:

- Direct Debit or Standing Order
- PayPoint or Post Office (using your rent payment card)
- Online through MyMagenta or the ALLPAY portal
- Automated phone payment line
- Internet banking
- Pay by Link (via ALLPAY)

We regularly review our payment options to make sure they stay easy to use, accessible, and cost-effective.

You can find up-to-date information about how to pay your rent on our website. We also include payment details on the back of any arrears letters we send.

2.5 Preventing arrears

We know that life doesn't always go to plan. That's why we encourage customers to get in touch with us as soon as they think they might struggle to pay their rent.

We take a proactive approach to prevention, which includes:

- Giving clear information about rent responsibilities when a tenancy starts
- Encouraging Direct Debit as the easiest and most reliable way to pay
- Arranging direct rent payments from the Department for Work & Pensions (DWP) or local councils when it helps both the customer and Magenta
- Getting in touch early, by phone, letter or email, if arrears begin to build
- Offering expert advice on Universal Credit, Housing Benefit and other welfare support
- Working with local councils and the DWP to help reduce delays in benefit payments
- Ending tenancies promptly to avoid arrears at the end of a tenancy
- Promoting the use of the MyMagenta portal for easy account management
- Providing a respectful and inclusive service in line with our Equality and Diversity Policy
- Using digital tools like SMS, email and trusted third-party services to stay in touch
- Processing credit refunds within 28 days (subject to checks)
- Encouraging customers to keep at least one week's credit on their rent account to support paying in advance

- Recovering arrears from the estates of deceased tenants or through the Public Trustee where needed

2.6 Early support to prevent arrears

In the first six weeks of a new tenancy, we take early steps to help prevent arrears from building up:

- We'll get in touch quickly if arrears reach £70 or more (2 weeks unpaid for garages)
- We'll offer tailored repayment plans to help customers get back on track
- We'll focus on building a positive, trusting relationship to support long-term financial wellbeing

2.7 Helping customers manage arrears

We know that falling behind on rent can be stressful. That's why we take early, fair and supportive steps to help customers get back on track.

To stop arrears from becoming unmanageable, we:

- Use our IT systems to spot and prioritise cases that need attention
- Follow a clear arrears process (see link below for full details)
- Send formal reminders and notices in line with Civil Procedure Rules
- Ask for full repayment, but we'll always consider affordable instalments
- Offer in-house and external support for customers facing financial difficulties
- Only take legal action or consider eviction as a last resort—and only with manager approval

We focus on building trust and finding solutions. Our aim is to keep people in their homes wherever possible.

2.8 Credit balances and Refunds

Each month, we monitor our credits and where a customer has a credit balance, we will take steps to get this refunded as soon as possible.

Sometimes we can't issue a refund straight away. This could happen if:

- You owe money elsewhere and the credit needs to be offset.
- There's a risk of Housing Benefit or Universal Credit overpayment.

3.0 Former Tenant Rent Arrears (FTA)

At Magenta Living, we're committed to reducing rent arrears after a tenancy ends.

We do this by:

- Putting strong preventative steps in place before tenancies end
 - Using clear and fair processes to recover any outstanding rent
- Our aim is to support customers early, so arrears don't build up—and to make sure recovery is handled in a way that's respectful and effective.

3.1 Recovery of Former Tenant Arrears

When a tenancy ends, we take steps to recover any unpaid rent in a fair and respectful way.

Here's how we do it:

- Early support - As soon as we receive notice to end a tenancy, we'll encourage customers to clear any outstanding rent before they leave.
- Flexible payment plans - If full payment isn't possible, we'll work with the customer to agree a repayment plan that's affordable.
- Staying in touch - Before the customer moves out, we'll ask for a forwarding address and contact number so we can stay in touch.
- Reaching out - If we have contact details, we'll get in touch to arrange payment. If not, we'll try to trace the customer using trusted agencies at 3, 6, and 12 months.
- Using debt recovery agencies - If the debt hasn't been paid, or if a payment plan isn't being kept, we may refer the case to an external agency for recovery.
- Writing off debt - If all recovery options have been tried and it's no longer cost-effective to continue, we may consider disbursing this debt through 'write off'.

3.2 Rehousing Applicants with Former Arrears

We understand that some people applying for a new home may still owe rent from a previous tenancy. We'll always look at each case carefully and fairly.

Here's how we approach it:

- Talk first - If there's any unpaid rent debt, we'll speak with the applicant about how this can be cleared before we offer a new tenancy.
- Flexible options - If full payment isn't possible, we may agree a repayment plan over a set period. This will be considered before we move forward with rehousing.

- In some cases, we may ask for repayment of debt that has been disbursed in the past. This could be through full payment or a formal repayment plan added to the new tenancy agreement.

3.3 Offering Incentives to Former Tenants

We know that making a big payment towards rent debt isn't always easy. That's why, in some cases, we may offer an incentive to help former tenants take that step.

These offers are considered individually by the Income Manager. They're designed to encourage meaningful payments and help people move forward.

3.4 Writing Off Former Tenant Debt

Each year, we set aside a budget to cover debts we're unlikely to recover. We may write off former tenant arrears if:

- The debt would cost more to chase than it's worth
- We have clear evidence that the debt can't be recovered
- We've tried every reasonable way to recover the debt
- The customer has gone through bankruptcy or has a Debt Relief Order
- In exceptional circumstances, current debt which we are unable to recover

3.5 Reinstating Debt

Sometimes, a customer who owed us money in the past starts making payments again or applies for a new home. In these cases:

- We may reinstate the debt
- We'll restart the recovery process

3.6 Refunds for Credit Balances

If you have a credit on your former account, we aim to refund this within 28 days wherever possible.

Sometimes we can't issue a refund straight away. This could happen if:

- You owe money elsewhere and the credit needs to be offset.
- There's a risk of Housing Benefit or Universal Credit overpayment.
- We don't have your contact details and it's not cost-effective to trace you.
- Sadly, you've passed away and there's no next of kin.

If a credit remains unclaimed for 12 months, we may write it off or move it to a suspense account. Don't worry – we keep full records, so if you contact us later, we can refund your credit.

Our process is designed to be fair and transparent, making sure customers receive their money promptly whenever possible.

4.0 Rent Statements

Magenta Living doesn't send out rent statements every year.

But you can check your rent balance anytime registering and logging into the **MyMagenta portal**. If you'd prefer a paper statement, just let us know—we're happy to send one out.

5.0 Record Keeping

We record every rent collection and arrears action in our housing management system. This matters because:

- It keeps our processes clear, consistent, and transparent.
- Accurate records give us evidence if legal action is needed, creating a reliable audit trail.
- Consistent documentation builds trust with customers and stakeholders, showing fairness and accountability.
- It helps us monitor and report performance, so we can measure results and make improvements.
- Good records protect the organisation from claims of maladministration or disciplinary action if policies aren't followed.

6.0 Who was consulted and how was it done?

6.1 The proposed policy was discussed with Policy Forum on 14th October 2025. Customer consultation was done via Magenta Voice in September 2025. Their views have been fully considered and incorporated where applicable / appropriate within the body of the policy.

7.0 Equality Impact Assessment (EIA)

7.1 We believe all people should be treated with dignity and respect regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including nationality, ethnic or national origins), religion, belief or non-belief, sex or sexuality, or by association with someone with any of these characteristics or perception of having any of these characteristics.

7.2 The EIA was undertaken on 10th September 2025 by Esh Wilson. It was reviewed by the Equality Impact Assessment Review Group on 16th October 2025 and the final agreed rating was green. (See the full EIA document for further details).

8.0 How we make sure this policy is effective

8.1 This policy's effectiveness will be measured using the following performance indicators:

- Rent collected vs. rent due
- Current tenant arrears as a % of annual rent debit
- Former tenant arrears as a % of annual rent debit
- Former tenant arrears written off as a % of annual rent debit

Results presented to Strategic Partners 4 weekly.

8.2 Non-compliance with this policy could lead to - disciplinary action, including dismissal / where appropriate, referral to law enforcement / findings of maladministration by the Housing Ombudsman in how we have applied the policy.

9.0 Colleague Training

9.1 For this policy, mandatory training is required for the following people:

- All employees of the Income Management Team

9.2 It will be completed when new employees join the team and used as guidance throughout rent and arrears management. Completion will be monitored by Income Managers

10.0 Documents related to the policy

10.1 Please also see the following documents:

[Arrears Escalation Docs - OneDrive](#)

11.0 Version control / Amendment log

Date of change:	Revised Version Number:	Change made:	Reason for change:

18/08/22	V1	Full policy rewrite	<i>Response to Covid-19 pandemic and changing legislation</i>
29/08/24	V1.1	3.4 Recovering Rent Arrears – threshold of 1 weeks rent arrears will trigger start of arrears process	<i>Housing Ombudsman recommendation</i>
	V1.1	4.0 Rent statements – new paragraph included	<i>Housing Ombudsman recommendation</i>
01.11.25	V2	Full policy rewrite	To make policy inclusive of all debt management