

M&G Affordable Living RP Limited (“MAL”)

Former Tenant Arrears Policy

Landlord: MAL Affordable Living RP Limited “MAL”

Version: MAL 1.0

Created: February 2026

Review: February 2028

Authors: Director Asset Management

1. Introduction

1.1 Our managing agents provides an income management service for shared ownership and affordable rent.

Affordable housing consists of the developments where homes are for people whose needs are not met by the private market. They are usually let at a rate below local market rates and applicants are usually although not always nominated by their local authority.

Private housing refers to homes let in the private housing sector. They are let by for profit organisations or individuals and rent levels are set in line with local market conditions.

2. Policy Statement

Through implementation of an Income Procedure, our managing agent attempts to minimise its rent arrears and maximise income for itself and its clients.

This policy applies to all former residents who lived in home owned by MAL, including affordable rent, garages, parking bays and shared ownership.

A former tenant is one who no longer rents a property from MAL (including deceased tenants).

A former tenant debt is defined for the purpose of this policy, as a debt of unpaid rent/ service charges which remains on an account, after a tenancy has been terminated.

A former tenant credit is a surplus amount remaining on an account once the tenancy has ended.

Former tenant debt includes but is not limited to:

- Arrears of rent or service charges.
- Unpaid garage / parking bay charges.
- Unpaid utility charges.
- Legal costs following court action.
- Recharges to make good unauthorised alterations, make good or repair damage to the property, charges for missed appointments and rechargeable void costs.

This policy aims to outline how MAL / our managing agents will:

- Take a consistent, fair, measurable, and effective approach to recover former tenant debt and refund former tenant credits.
- Maximise income for MAL.
- Have adequate payment methods available for repaying the debt.
- Identify circumstances which may affect former tenants’ ability to pay and / or their ability to understand the implications of non- payment.
- Collaborate with external agencies or organisations representing our former tenants where necessary.
- Write off debts that are uneconomical to recover.

2 M&G Affordable Living RP Limited (“MAL”)

- Produce accurate reports for account monitoring and ensure staff have a good understanding of how to follow the procedure to recover former arrears.
- Comply with all relevant legislation.

3. Approach

Our managing agent will work in line with their own allocations and lettings policies or those of MAL ensuring that any prospective tenant meets the affordability criteria following a financial assessment.

The managing agent will ask for a week / month's¹ payment in advance at the start of tenancy in line with its template tenancy agreement and the tenancy agreements of MAL and will work with partner organisations to establish this payment for our more vulnerable tenants. (Weekly payers to pay a week in advance and monthly payers to pay a month in advance to ensure account does not fall into arrears at any point during their tenancy).

The managing agent's Income Team will work in line with their own or MAL's income policy and procedure and will provide welfare benefit support and advice where required to promote tenancy sustainment and reduce the potential for former tenant arrears.

4. Recovery of debt

The managing agent's Property Management Team should notify the Income Team in writing as soon as notice to end the tenancy has been received. (Or vice versa if the Income Team receive notification first).

The managing agent's Income Team will review the former accounts within two weeks of termination of the tenancy to establish any:

- Benefit overpayments which must be repaid.
- Benefit due to reduce the balance.
- Other charges outstanding (void recharges).
- Deposits held in any other account.

The managing agent's Income officer should advise the tenant how much is due to be paid prior to the tenancy ending. The managing agent will request payment in full on an account where we have notice in advance of them moving out.

The managing agent's Property Manager and/or Income Officer will seek to obtain a forwarding address, contact numbers of tenants, and employment details prior to the end of every tenancy and where we have ended the tenancy through enforcement action, the managing agent will make attempts to obtain that information. All details should be recorded on the managing agent's management system to assist with tracing the former tenant.

The managing agent will contact former tenants with a debt within two weeks of the termination of the tenancy if they have not made any repayments or agreed a repayment plan. If one was provided, the guarantor should be contacted within 7 days if there is not response from the tenant.

The managing agent will follow and adhere to the Civil Procedure Rules. Should the tenant fail to pay, and the managing agent is aware of their forwarding address, the managing agent will send a minimum of two letters requesting payment of the arrears. If the tenant is unable to clear the outstanding balance in full the Income Officer will contact the tenant to negotiate a repayment plan.

The managing agent will propose a deduction from the deposit to cover unpaid rent where appropriate.

Where attempts to recover a former debt in house have been exhausted or if the forwarding address is unknown the debt should be referred to a debt collection agency for trace and collect.

¹ The Renters' Rights Act 2025 abolishes the practice of demanding more than one month's rent in advance. Advance payments of less than one month are still permitted but these should not be requested prior to the tenancy agreement being signed.

3 M&G Affordable Living RP Limited (“MAL”)

The managing agent will seek approval from MAL for this referral as per the relevant underlying contract and for the costs of any subsequent legal action.

Commented [RM1]: Confirm that this would be the case

In the case where a tenant has passed away, the managing agent will write to the next of kin or executor to request payment of any outstanding balance. Where there is no estate to repay the debt, the managing agent will recommend to MAL that the debt is written off.

When appropriate the managing agent will make applications to the Small Claims Court to recover an outstanding debt from the tenant or guarantor after the tenancy has ended and will pursue attachment of earnings where the tenant is in employment.

MAL nor its managing agent does not condone the use of seizure of goods for repayment of debt. If a tenant has been served a Section 8 notice, and possession proceedings have been sought, as part of that process MAL through its managing agent will be entitled to ask for a money judgement order to recover unpaid rent and an amount for legal costs if more than 2 months arrears mandatory ground.

If a s21 notice has been used to regain possession, MAL through its managing agent will need to take separate legal action in county court to obtain a money judgement against the tenant. The money claims online (MCOL) service can be used. Note that following the implementation of the Renters’ Rights Act 2025, the section 21 process will be abolished. The actual implementation date is to be confirmed.

4. Debt for write off

We will consider a debt for write off once all reasonable actions have been taken in line with the procedure. A former tenant debt where payments are being made should not be written off unless payments cease and the recovery procedure has been exhausted.

Where recovery of a debt is considered unlikely or not cost effective and our managing agent has exhausted their internal collection process consideration should be given to writing it off. Or when an external agency advises that the debt is irrecoverable and/or the former tenant cannot be traced the client should be made aware, and a recommendation should be made to write off the debt.

The managing agent will make recommendations for write off and will be done so under their standing order arrangements or with their agreement.

The write off will be appropriately documented on the managing agent’s system or in correspondence with MAL.

Where a debt has been written off and the former tenant has been traced within a six-year period of the write off, the debt can be reinstated.

5. Legislation

MAL and the managing agent will ensure compliance with all relevant legislation in implementing this policy, including:

- Civil Procedure Rules
- Pre Action Protocol for Debt Claims.

6. Confidentiality

Under the Data Protection Act 2018 and UK General Data Protection Regulation (GDPR), all personal and sensitive information, however it is received, is treated as confidential.

8. Policy review

We will review this policy at least every two years to make sure it remains relevant and accurate, or more frequently where:

4 **M&G Affordable Living RP Limited (“MAL”)**

- Legislation, regulation or industry changes require otherwise, making sure that it continues to meet our aims and industry best practice.
- We identify any problems or failures in this policy or procedure as a result of customer, colleague or stakeholder feedback, complaints, or findings from an independent organisation.
- We become aware of any circumstances which may affect the content of this policy.

9. Version Control

Version	Checked by	Amendments	Date of Approval	Review date
V1.0	Director Fund Management	Policy adoption.	Feb. 2026	Feb. 2028

