

FORMER TENANT ACCOUNT RECONCILIATION POLICY AND PROCEDURE

1. Introduction

The policy explains the responsibilities of the Association where the rent accounts of former tenants are in credit or where money is owed to the former tenant for other charges.

2. Former tenant credit includes

- Pre-paid rent and / or service charges
- Overpaid legal costs charged following court action to recover arrears
- Overpaid recharges made to tenants to make good or repair unauthorised alterations to the property
- Overpayment of Housing Benefit

3. Aims and Objectives

3.1 To augment the Association's Rent and Arrears Policy and Procedure and Recharge Policy and Procedure and to give clear information to tenants on monies owed.

3.2 To give clear information to tenants when they terminate their tenancy concerning final rent payments and other debts.

3.3 To provide information to Housing Benefit, where applicable, on the termination of tenancy.

3.4 To ensure former tenants provide an accurate forwarding address and contact information on vacating.

3.5 To ensure all outstanding credits are returned to the relevant Housing Benefit department on receipt of an overpayment request.

3.6 To ensure that tenants receive fair and equal treatment regardless of disability, gender, age, race, ethnic or national origin, religious belief or sexual orientation in line with the association's Equality and Diversity Policy.

3.7 To reconcile credits that cannot be refunded and transfer balances to general reserves.

4. Procedure

4.1 When the tenant gives notice on the tenancy, send out on the same day:

- A Termination of tenancy form
- A letter including the balance on the rent account at the end of the tenancy and requesting payment to bring the account to a zero balance where appropriate

4.2 The Regional Housing Manager (RHM) will liaise with and make a home visit to the tenant (or tenant's next of kin), the target for which will be within seven days of receiving the termination of tenancy form in order to:

- Carry out a pre-void inspection on the property

- Ensure that all forwarding contact information is accurate, the termination of tenancy form is completed and final tenancy date agreed
- Agree the final rent figure
- Check any outstanding legal costs and recharges against the account and confirm these are up to date
- Inform tenant that any credit on their rent account below £50.00 must be requested within 6 weeks of their tenancy termination
- Advise tenant to contact Housing Benefit, where applicable, to advise of tenancy termination and to avoid any overpayments

4.3 If the tenant vacates the property without requesting a refund and the credit is under £50.00 the tenant has a further six weeks to make a request to be refunded. If no request is received within six weeks then the credit will be transferred to general reserves and the account closed.

4.4 If the tenant vacates the property without requesting a refund and the former tenant account is over £50.00, letter 1 will be sent to the forwarding address provided by the former tenant requesting a response within 14 days.

4.5 If there is no response to letter 1 in the following 14 days a second letter will be sent requesting a response from the tenant.

4.6 If there is no response to letter 2 in the following 14 days a third letter will be sent advising the tenant that their account will be closed if they do not request their refund within a further 14 days.

4.7 Where a possible overpayment of Housing Benefit has been made the account will remain open for twelve months after the tenancy termination pending any repayment requests from the relevant housing benefit department. The Regional Housing Manager may also request details from the relevant department as necessary. Alternatively the Regional Housing Manager may write to the former tenant requesting a refund, advising them that in the event of any Housing Benefit overpayment they will be responsible for paying it back to the Local Authority. If the former tenant signs and returns a copy of this letter, then a refund can be authorised.

4.8 If no overpayment request has been received from Housing Benefit within twelve months of the tenancy termination then further steps will be taken as above to contact the tenant and return any credit direct to them.

4.9 All former tenant accounts will be monitored on an annual basis by the Accounts department in association with the Head of Housing Services and necessary adjustments made to close accounts and transfer balances at the end of each financial year. Any accounts more than 7 years old showing a credit balance will be closed and the balance transferred to general reserves.

4.10 Any money transferred to general reserves will be used by the Association as considered reasonable and in consultation with the Residents Scrutiny Panel.

Annex 1
Former Tenant Credit – Letter 1

Dear

Your tenancy at ended on resulting in a credit balance on your rent account of £.....

In order for this credit to be returned to you please contact the Association within 14 days of this letter. Your refund will be made by either cheque or BACS payment. When contacting us please confirm details of who a cheque should be payable to, or your bank account details (name, number, sort code) and include an up to date forwarding address.

Yours sincerely

Annex 2

Former Tenant Credit – Letter 2

Dear

Further to my letter of you have still not made contact regarding the credit on your former tenant rent account in the amount of.....

In order for this credit to be returned to you please contact the Association within 14 days of this letter. Your refund will be made by either cheque or BACS payment. When contacting us please confirm details of who a cheque should be payable to, or your bank account details (name, number, sort code) and include an up to date forwarding address.

I look forward to hearing from you.

Yours sincerely,

Annex 3

Former Tenant Credit – Letter 3

Dear

Further to my letter of you have still not made contact regarding the credit on your former tenant rent account in the amount of.....

This is the final reminder that you will be sent prior to your account being closed. For your information a copy of English Rural's policy on former tenant credits is enclosed. In line with this policy if you fail to make contact with English Rural and request repayment of this amount within the next fourteen days your account will be closed and all remaining credit will be transferred to the Association's general reserves.

Please contact us urgently to discuss your refund.

Yours sincerely