

Bad Debts Policy

A Bad Debt is an outstanding sum of money owed to Capture Housing that has not been paid, despite repeated efforts to collect the debt.

It should be noted that tenant rent arrears are only ever written-off as a bad debt in very exceptional circumstances, as continued efforts are made to collect any outstanding rent arrears.

There are two separate categories of bad debts, those relating to Former Tenant Arrears, which cannot be economically recovered and other sundry debts such as rechargeable repairs, which cannot be economically recovered. The calculation of the bad debt provision and the write-off procedure for these debts are separate.

The cumulative former tenant arrears figure at the end of the year (i.e. 31st March) will be obtained from our rent ledger.

At the end of each quarter a list of all outstanding sundry debtor accounts are obtained from the rents ledger.

The list is examined to identify those accounts which are unlikely to be recovered. Factors such as the economic cost of pursuing small debts, the evidence to support the debt and the likelihood of recovery are taken into account in arriving at the provision.

WRITE-OFF

Cases for 'Write Off' of bad debts will be considered by the Directors in consultation, where appropriate, with the Managing Agents.

When it is established that the debt is irrecoverable or uneconomic to pursue further, the debt will be recommended for write-off. This will only occur once all attempts to recover have been exhausted.

Where the debts have been written-off as irrecoverable, Capture Housing will reinstate debts and attempt to collect them if new information becomes available, e.g. if we obtain a current address for a debtor whose whereabouts were previously unknown.

For other Sundry Debts, write-off will be actioned where the debt is either irrecoverable or uneconomic to pursue.

