

OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

Contents

1. Introduction
2. Overview
3. Definitions
4. Debt Recovery Collection
5. Easier to Pay
6. Repaying your Arrears
7. Debt Recovery
8. Enforcement Action
9. Recovery Processes
10. Severe Remedies
11. Vulnerable People
12. Bailiffs and Debt Collection Officers
13. Evasion and Fraud
14. Good Practice
15. Miscellaneous



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

Introduction

We have a legal duty to all our customers to ensure the prompt and cost effective billing, collecting and recovery of funds which are due to us. We ensure there are no delays in the recovery of debts as it will lead to higher administration costs. Administration costs will be applied where appropriate but we will ensure they are kept to a fair level.

We have developed a Fair Debt Recovery Policy to promote our aim to be fair and consistent but also firm in the collection of monies owed to us.

Overview

Our intention is to achieve the prompt collection of all sums of money due to us, whilst ensuring that a fair and consistent approach is taken to recover all outstanding sums due.

Our Policy relates to the collection of revenue outstanding in relation to the signed Hire Agreement.

This Policy will take effect from 1 March 2017.

We will review our policies from time to time and as required, to ensure that we continue to provide the best practice in the field of debt recovery and legislative requirements.

Definitions

The following definitions apply to our Policy in respect of the terms as set out below.

Arrears – the term arrears are used to refer to the sum that is due to us that has not been paid and the date for payment has passed.

Debt – the term debt is used to refer to the amount due to us.

Debtor – the term debtor is used to refer to the account holder who signed the Hire Agreement that owes the outstanding balance to us, this term is for convenience use only and is not intended to be judgemental in anyway.



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

Severe Remedy – the term severe remedy refers to a debtor who declares themselves bankrupt or other forms of insolvency; register a charge against a property or apply for the sale of the property against which a charge is registered.

Vulnerable Person – the term vulnerable person refers to a person who may have exceptional difficulty dealing with day to day tasks, such as bill paying. If you think you maybe a vulnerable person, please inform us as soon as possible for our staff to ensure our Vulnerable Person Policy is followed.

Debt Recovery

We aspire to achieve good practice when recovering debt owed to us. To achieve this, we consider the cost of recovery against the outstanding liability. We will ensure any administration costs are in proportion with the outstanding debt. We will consider each case prior to issue court proceedings. Any enforcement action taken will be reasonable and those who are vulnerable are assisted in meeting their financial obligations to us.

To achieve our goals, we will follow the principles below: -

- Customers will receive a text message promptly and accurately when a payment is missed,
- Provide the correct recovery notices which show clearly what is to pay, when payment is due and how to pay,
- Updated any change of circumstances and personal details as soon as we are informed,
- Commence recovery action promptly to avoid unnecessary administration costs,
- Offer a wide choice of convenient payment options,
- All debt recovery documentation will be clear and inform the debtor of our recovery procedures, our enforcement procedures, and the options available to us to recover the unpaid debt. Our debt recovery procedures can be found on our website,
- Easy contact with us through a range of options including face to face, by telephone, by e-mail or in writing,
- All enquiries will be dealt with promptly and courteously,



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

- Provide sources of independent money and debt advice,
- Identify vulnerable persons and provide them with advice to assist them in meeting their financial obligations to us,
- We believe our methods of recovering a debt are the least severe to ensure debtors are not subjected to unnecessary stress whilst ensuring our methods are effective to the company's cashflow,
- Should correspondence to recover the debt fail we will instigate legal proceedings for the outstanding balance, a Small Claim will be issued and we aim to obtain a County Court Judgment to secure our debt,
- Recover all administration and costs of debt recovery action and enforcement action,
- Enforcement action will be taken in line with legislation,

We know that the easier it is to make a payment, then the more likely it is the payment will be made promptly. Therefore, we offer several options of convenient payment methods which will be provided to you at the point of sale.

Whatever the method of payment chosen it is the customers responsibility to ensure that payment is made to us by the date it is due.

If you are having difficulties paying your account, we encourage you to contact us as early as possible. Please do not stick your head in the sand, we are a professional company and will endeavour to assist you should you be experiencing financial difficulties. If you are having trouble making payments the following action will be taken: -

- Provide advice on our payment methods,
- Consider agreeing to extending your payment plan to reduce your weekly payments,
- Supply debtors with contacts in respect of independent advice.

Debtors Responsibilities

We expect our customers that owe money to us or have a liability to pay, to comply with all legal obligations in respect of the funds due. We are committed to a fair debt recovery process which are set out in our Policy and we expect debtors to abide by the following principles: -



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

- Pay the amount due promptly on or before the due date,
- Inform us of any change of circumstances, such as a change of card details,
- Notify us of a change of address,
- Contact us promptly if you believe the amount charged is not correct as the sum may be too much or too little,
- Contact us promptly if you are unable to pay the amount due,
- When dealing with our employees and our agents please do so courteously and respectfully,
- Be honest and frank when providing information about your account.

Payment of Arrears

We understand that debtors will experience genuine difficulty in meeting their financial obligations.

We encourage all our customers to contact us at their earliest convenience. We will consider each customer's personal circumstances and assist where appropriate. We will provide an income and expenditure form to be completed by debtors to gather as much information about the debtor as possible in order to make the best assessment of their ability to pay and ensure a realistic payment arrangement is entered into.

If a debtor refuses to provide any information we will not be able to offer a payment agreement.

If a debtor is entering a DMP/DRO/IVA or Bankruptcy they will be given the opportunity to cancel their agreement and return the goods. A debtor can, with the Insolvency Practitioners authority, continue to pay the weekly sum and retain the goods.

We will follow the procedures below in respect of recovery of outstanding funds: -

- We will seek repayment of outstanding arrears as soon as possible following default payment,
- If it is appropriate we will extend the payment terms to assist debtors in financial difficulty,
- Should we offer an extended payment term the first payment will be due within one month of the agreement being reached,



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

- Any agreement reached will be done so with the details the debtor has provided in respect of their financial circumstances,
- Any agreement reached that accepts a lesser sum than the agreed payment will extend the payment terms. Payment terms will not exceed 3 months following the agreement date,
- Non-payment will result in us obtaining a County Court Judgment and enforcement of the Judgment,
- We will refuse a payment arrangement if we consider that entering into such an agreement may jeopardise our recovery of the payment in full,
- Payment arrangements may be refused if the debtor has sufficient assets which could be realised to pay the debt and the debtor is unwilling to realise the asset to repay the debt.

We will supply debtors with an income and expenditure form to make a realistic offer of payment. We will ensure all offer of payments are in line with the debtor's circumstances and never ask for payment beyond their means.

Where payments are not received in line with the payment agreement action will be taken to recover the whole balance due to a breach of contract. We will not consider a further payment arrangement unless the debtor's circumstances have changed from the last assessment.

All payment arrangements will be confirmed in writing so the debtor is aware of the amount due and when it is due.

We reserve the right to refuse payment arrangements.

Debt Recovery

It is our practice to take prompt action when payment is overdue. This is to ensure debtors are reminded of their payment obligations as early as possible. This gives the debtor the opportunity to bring their account up to date to prevent the debt increasing or more severe action being taken to recover the funds due.

We will write to the debtor at the earliest opportunity to inform them their account is in arrears. Any administration costs incurred in recovery of funds may be applied to the debtors account, the costs applied will reflect the actual cost incurred by us.



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

Due to the number of accounts we deal with we have an automated process to recover outstanding sums due.

We understand that customers do not pay their debts for various reasons: -

- Some customers genuinely struggle to pay their bills and need advice and assistance in budget management,
- Due to a sudden change in personal circumstances some customers have short-term financial problems,
- Some customers have a 'Can Pay, Won't Pay', attitude,
- Mismanagement of finances resulting in erratic payments.

We will provide our customers with the Financial Conduct Authority information sheet which contains independent non-profit organisations that can provide free, confidential, and impartial debt advice.

Severe Remedies

Small Claims and enforcement action are classed as severe remedies and are used in accordance with this Policy and our Debt Recovery Procedure Policy.

We will: -

- Sent a text message when a payment is missed
- Allocate your account to our Collection Officer for a home visit
- Send the debtor a Default Notice,
- Send a Notice of Intention to take court action,
- Issue a Small Claim in the County Court Money Claim Centre
- Obtain and enforce the County Court Judgment

Vulnerable People



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

We recognise that some customers may be considered to be more vulnerable and require additional support in dealing with their financial affairs.

Vulnerability does not mean that a debtor is excused from their legal obligation to pay however we will consider the following: -

- Allow a longer payment term,
- Postpone enforcement action,
- Refer the debtor to a source of independent debt advice,
- Provide information that is in an accessible format,
- Lower temporary payment arrangement.

The cause of vulnerability may be a temporary one or long term, therefore the following list identifies characteristics of a person who could be considered vulnerable: -

- Disabled persons,
- Mental impairment or learning difficulties,
- Serious illness, including mental illness,
- Income support and other benefits,
- Unemployed persons
- Difficulty understanding English
- Elderly persons
- Recent bereavement
- Single parent
- Pregnancy
- Difficulty reading or writing

This list is not exhaustive and we will consider each individual's circumstances for the purpose of determining if a person should be regarded as vulnerable.

Collection Officers and Bailiffs

Prior to issuing a Small Claim we will allocate your account to our Collection Officer for a home visit in order to try and resolve any payment issue.

Once we obtain a County Court Judgment we will instruct the County Court Bailiffs to enforce a Judgment which does not exceeding £600.00. The Court Bailiff is appointed in accordance with legislation.



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

We will instruct High Court Enforcement when the County Court Judgment exceeds £600.00.

All costs incurred in respect of recovery action will be added to the debt increasing the debtor liability.

Evasion and Fraud

We will not tolerate evasion or fraud to avoid payment and we will impose further penalties or sanctions as the law allows.

Customers who move house and fail to provide a forwarding address will not prevent a Small Claim being issued against them. In accordance with the Civil Procedure Rules 6.9(2)(1) we will instruct the court to serve the Claim Form at the debtors last known address. This will result in a County Court Judgment being registered against the debtor without your knowledge. It is important customers provide us with any change in circumstances to allow us to keep you informed of any action we take.

Promoting Good Practice

We will endeavour to comply with current good practice guidance published by recognised bodies such as the FCA, except where to do so would conflict with our interests.

We ensure all staff dealing with debt recovery receive the appropriate training.

All our staff and Collection Officers follow our good practice policy when recovery debt from customers.

Working with External Agencies

We will work in partnership with advice agencies and refer customers who appear to have complex financial problems.



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

When a Default Notice is sent, we will enclose a FCA information sheet which will explain what options are available to you and contact information of non-profit organisations who will provide free, confidential, and impartial debt advice.

Should court action be required the County Court will issue a Small Claim and a response pack you will also be provided with information about advice agencies.

Miscellaneous

Equality - We have a statutory Equality Duty to eliminate unlawful discrimination, promote equal opportunity and adopt good relations in accordance with s149(1) of the Equality Act 2010.

We believe this Policy helps to ensure the recovery of debt is delivered in an equally accessible manner.

Errors - We are only human and human errors may occur from time to time. We aim to issue all notices and action correctly to ensure minimum distress is caused to debtors. If an error is brought to our attention we will deal with it promptly and investigate where appropriate.

Compensation - We do not normally consider compensation unless the mistake has a direct financial loss to the debtor. Requests for compensation will be considered on an individual basis.

Omission - We will endeavour to adhere to this Policy, however no omission of the requirements shall invalidate the requirement to make a payment.

Data Protection - We collect and store your personal data for the propose of managing your account. Data retained will be done so in accordance with the Data Protection Act 1998 and your information will be stored securely at all times.

Your data will be shared with agents or contractors appointed by us for the purpose of managing your account and the recovery of outstanding sums due. It may be shared with external organisations where the Act allows.



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

The flowchart below is a simplified representation of our Debt Recovery procedures and is for illustration purposes only.



OUR DEBT RECOVERY, FAIR AND VULNERABLE PERSON POLICY

- 1 Customer enters into our Hire Agreement
- 2 Payment text reminder and/or Collection Officer
- 3 Default Notice
- 4 Intention to issue a Small Claim
- 5 Small Claim issued
- 6 Request Judgment
- 7 Enforcement Action
- Register County Court Judgment

