Quercus Housing

Company Registration Number 11307980

Write Off
Policy

May 2026

Version	Date	Annual Review Date
1	11 May 2026	10 May 2026

Purpose

This Policy sets out the circumstances under which outstanding balances may be written off when all reasonable recovery actions have been exhausted. The aim is to ensure consistency, fairness, and financial accuracy while maintaining responsible debt management practices.

Scope

This Policy applies to all outstanding charges, fees, rent arrears, service charges, or other amounts owed to Quercus Housing by tenants, customers, or former tenants.

Principles

- Write Offs are a last resort after all recovery options have been attempted
- A Write Off does not remove Quercus Housing's right to pursue the debt in future if circumstances change
- Decisions must be documented, evidence based, and authorised at the appropriate level
- Quercus Housing must maintain accurate financial records and ensure transparency

Situations where a Write Off may be considered

A debt may be eligible for Write Off when one or more of the following apply:

Debtor cannot be located

- All tracing attempts have failed
- No forwarding address or contact details exist

Debtor has no means to pay

- Verified financial hardship
- Insolvency, bankruptcy, or debt relief order
- Long term illness or vulnerability preventing repayment

Debt is not economically viable to pursue

- Legal or enforcement costs exceed the value of the debt
- Small balances where recovery is disproportionate

Debt Is Legally Unrecoverable

- Statute barred under the Limitation Act
- Court action unsuccessful or prohibited

Administrative error

- Debt created due to system, calculation, or human error

Recovery actions required before Write Off

Before recommending a Write Off, the following steps must be completed and documented, as set out in the Debt Recovery Procedure:

- Issue reminder notices and statements
- Attempt contact via phone, email, and written correspondence.
- Offer payment plans or support options where appropriate
- Attempt tracing if the debtor has moved
- Consider legal action where proportionate
- Complete a Write Off Request form with evidence of recovery attempts to submit for approval according to delegated authority levels

Authorisation levels

Write Off approval must follow the Quercus Housing's delegated authority structure:

- £0 – £2,000 — HERO Service Team Leader
- Over £2,000 — Head of Strategic and Private Sector Housing
- Exceptional cases — Board approval

Recording and reporting

All Write Offs must be:

- Recorded in the financial system with supporting evidence.
- Reported quarterly to senior management.
- Reported quarterly to the Quercus Board.
- Reviewed annually to identify trends or process improvements.

Reinstatement of written off debts

If new information becomes available (eg debtor located, financial situation improves), Quercus Housing may reinstate the debt and resume recovery action.

Review of Policy

This Policy will be reviewed annually or sooner if legislation, financial regulations, or Quercus Housing needs change.

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Debt Recovery Procedure

May 2026

Version	Date	Annual Review Date
1	11 May 2026	10 May 2026

Purpose

This procedure outlines the steps for managing and recovering outstanding debts in a fair, consistent, and legally compliant manner. It ensures early intervention, clear communication, and proportionate action before escalation to enforcement or Write Off.

Scope

Applies to all debts owed to Quercus Housing by current tenants, customers or former tenants, including:

- Rent arrears
- Service charges
- Recharges (repairs, cleaning, damages)
- Former tenant arrears
- Any other outstanding balances

Principles

- Early engagement and prevention are prioritised
- All actions must be proportionate and evidence based
- Vulnerable customers must be identified and supported
- Legal action is a last resort
- All communication must be clear, respectful, and documented

Debt Recovery Stages

Stage 1: Early Identification and Prevention

Monitoring

- Accounts monitored weekly/monthly for missed payments
- Automated alerts for overdue balances

Initial Contact

Within 7 days of missed payment:

- Send a polite reminder (email/text/letter)
- Encourage the debtor to make contact
- Offer support options (payment plans, benefits advice, budgeting help)

Vulnerability Check

- Assess for financial hardship, illness, disability, or safeguarding concerns
- Adjust approach accordingly

Stage 2: Formal Reminder and Engagement

Second Reminder

If no response after initial contact:

- Issue a formal reminder letter
- Provide a clear breakdown of the debt
- Set a deadline for payment or engagement

Payment Arrangement

If debtor engages:

- Agree a realistic repayment plan
- Confirm in writing
- Monitor compliance monthly

Stage 3: Escalation

Final Notice

If no engagement or payment:

- Issue a Final Notice
- Warn of potential escalation (eg legal action (including risk of costs awards and delayed payment interest), external recovery agents)
- Provide a final opportunity to resolve

Tracing (if debtor has moved)

- Use tracing tools or agencies to locate the debtor
- Document all attempts

Referral to Debt Recovery Agency

If appropriate:

- Refer case to approved external recovery agents
- Continue to monitor progress

Stage 4: Legal Action (Last Resort)

Pre Action Protocol

Before legal action:

- Send a Letter Before Action

- Provide 30 days for response
- Include required documentation

Court Action

If unresolved:

- Seek legal advice
- Submit claim to Court
- Follow Court orders and enforcement options (eg CCJ, attachment of earnings, enforcement agents)

Stage 5: Write Off consideration

When to Consider Write Off

A debt may be considered for Write Off if:

- Debtor cannot be traced
- Debtor has no means to pay (verified)
- Debtor is insolvent/bankrupt
- Debt is not cost effective to pursue
- Debt is statute barred
- Administrative error occurred

Write Off Request

- Complete a Write Off Request Form
- Attach evidence of recovery attempts
- Submit for approval according to delegated authority levels

Communication Standards

All communication must be:

- Clear, factual, and non threatening
- Recorded in the case management system
- Accessible (alternative formats if needed)
- Respectful and compliant with equality legislation

Record Keeping

Staff must record:

- All contact attempts
- Copies of letters/emails
- Payment plans
- Tracing results

- Legal documents
- Write Off decisions

Records must be retained in line with data retention policies.

Review and Audit

- Procedure reviewed annually
- Quarterly audits of arrears cases
- Trends reported to senior management
- Improvements implemented where needed.