Sentinel Lettings

Rent Arrears Policy

Agency Details

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Revision History

VERSION	REVISION DATE	SECTION REVISED	REASON FOR REVISION	DESCRIPTION OF REVISION
1	31/07/25	Original	First version	N/A
2	04/09/26	5	Update for RRA	Escalations and stages
3	28/10/26	5	Fast Track	Escalations to PM

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Rent Arrears Policy

1. Policy Purpose and Scope

This policy outlines our standard approach to rent collection and rent arrears management, balancing a firm but fair approach to protect landlord income while supporting tenants facing genuine difficulties. It aligns with statutory obligations under the Housing Acts 1985 and 1988, the Protection from Eviction Act 1977, and guidance on fair practice.

2. Tenant Obligations

- Tenants must pay rent in full, on time, and in advance as stipulated in the tenancy agreement.
- Tenants must set up standing orders to avoid late payments of rent and use the correct reference provided at the start of the tenancy.
- Rent remains the tenant's primary obligation, and arrears are treated seriously from the first missed payment.

3. Early Intervention & Communication

- Missed payments will prompt contact with the tenant within 1 business day, via phone, text, online messaging or email.
- Unless a Landlord is under Management Plus, rent arrears resolution is higher when the agency is notified early of any missed rent. Delays in notification will delay the policy being implemented.
- A friendly reminder will be issued and a rent statement will follow if no payment is received.
- If vulnerabilities or benefits delays exist, we will adopt a supportive and tailored approach.
- It is the tenant's responsibility to be proactive with communications and to anticipate any possible future rent arrears.

4. Role of a Guarantor

- A guarantor is a third party (usually a parent, relative, or professional guarantor company) who agrees to take on the tenant's financial obligations under the tenancy agreement. This includes liability for unpaid rent, damages, or other costs recoverable under the tenancy.

- Where a guarantor has been provided, the agency and landlord may pursue the guarantor directly if the tenant falls into arrears. Enforcement action against the tenant is not restricted by the presence of a guarantor.
- In cases where tenants use a third-party guarantor service (such as Housing Hand), the coverage period of that service may not always match the full tenancy term or expires as soon as the agreement becomes periodic. Where the guarantor service coverage expires, it is at the landlord's discretion whether to request the tenant to renew or extend their coverage.
- Tenants have no legal obligation to renew such third-party coverage once expired. If coverage is not renewed, the landlord must consider alternative risk management measures (for example, requesting a replacement guarantor, adjusting tenancy terms, or deciding whether to continue the tenancy at renewal).
- A landlord cannot unilaterally impose a new obligation on the tenant during the fixed term. That would amount to a **variation of contract**, which requires **mutual agreement** from both parties.
- All guarantor arrangements must be confirmed in writing and signed before the tenancy commences. Where a guarantor service is used, the terms of that service will apply in addition to this policy.

5. Escalation Stages

Rent arrears are owned by the relevant **Property Manager** at the outset. In the absence of a Property Manager, the Lettings Manager may progress until handed over to the Property Manager.

The escalation stages and timescales set out below are the Agency's standard principles for managing rent arrears. They should normally be followed to promote consistency, fairness, transparency and a reasonable and proportionate response.

The stages are internal rent arrears management guidelines and are not statutory notice periods or legal thresholds for possession. Each case must be considered on its individual circumstances.

When determining the appropriate response, the Agency should consider relevant factors including:

- the amount and length of the arrears;

- whether the arrears are increasing;
- the tenant's previous payment history;
- the tenant's level of engagement and communication;
- any explanation provided for the missed payments;
- any known vulnerability, hardship or benefit payment issue;
- whether a repayment arrangement has been proposed or agreed;
- whether previous repayment arrangements have been maintained;
- the existence of a guarantor; and
- any other relevant circumstances affecting the tenancy.

A tenant's rent is not overdue until the contractual payment date has passed without the full amount due being received. The Agency should therefore avoid requesting payment before rent has become due.

Where rent is collected directly by the Landlord, the Agency will require notification from the Landlord and must confirm with the Landlord that payment has not been received before contacting the tenant regarding alleged arrears.

All significant contact, repayment proposals, agreements, decisions and escalation actions must be recorded on the tenancy or property file.

The below timescales are **principles rather than rigid deadlines**. A case should not be escalated simply because a particular number of days or weeks has passed where the circumstances indicate that continued engagement or another reasonable approach is appropriate.

Equally, the Agency is not required to wait until the next standard stage where the circumstances reasonably justify earlier escalation.

Stage	Trigger	Action
1A	24 hours in arrears	Friendly reminder via WhatsApp and COHO. Confirm the outstanding balance and invite the tenant to contact the Agency if there is a payment issue or other difficulty affecting payment.
1B	24-48 hours in arrears	Friendly phone call reminder.
1C	+48 hours in arrests	Phone call and email reminder.
2	1 week in arrears	Formal letter written reminder. Provide or offer an up-to-date rent statement and invite the tenant to discuss the reason for the arrears and how the account can be brought up to date.
3	2–4 weeks in arrears	Formal escalation. Where a valid guarantor arrangement exists, contact the guarantor where appropriate. Offer the tenant an opportunity to discuss a reasonable repayment arrangement and signpost independent financial, benefits or debt advice where appropriate.
4	More than 4 weeks in arrears	Final internal arrears demand. Review the arrears history, previous communication, any repayment arrangements, tenant engagement and the Landlord's instructions. Consider whether further specialist or legal advice should be recommended to the Landlord.
5	8 weeks or more of persistent default	Where the Landlord wishes to consider recovering possession or commencing formal legal proceedings, advise the Landlord to obtain independent legal advice and, if they wish to proceed, to instruct a suitably qualified solicitor or specialist possession service provider. The Agency may provide relevant tenancy and arrears records but does not determine or advise upon statutory grounds for possession or conduct possession proceedings as part of the standard management service.

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Fast-Track Escalation

In appropriate circumstances, the Agency may adopt a fast-track approach, whereby the time between its internal escalation stages is reduced.

Fast-tracking is an exception to the standard process and must only be used where accelerated escalation is considered necessary, reasonable and proportionate in the circumstances.

A fast-track approach may, for example, be considered where there is:

- ☐ more than one occasion of rent arrears;
- ☐ failure to honour any repayment agreements;
- ☐ a significant or rapidly increasing level of arrears;
- ☐ repeated or persistent payment default;
- ☐ a history of broken repayment arrangements;
- ☐ sustained failure to respond to reasonable attempts at communication;
- ☐ evidence that agreed payments are repeatedly not being made; or
- ☐ another identifiable circumstance which materially increases the financial or tenancy-management risk.

Before adopting a fast-track approach:

1. there must be a clear and justifiable reason for departing from the standard timescales;
2. the circumstances and reasons for the decision must be recorded on the tenancy or property file;
3. written instruction from the property owner/Landlord must be obtained confirming that they wish the Agency to adopt the accelerated approach; and
4. the Agency must be independently satisfied that the proposed escalation is reasonable, proportionate and consistent with its legal and professional obligations.

Written instruction from a Landlord does not require the Agency to take action which it considers unlawful, unreasonable, disproportionate or contrary to its professional responsibilities.

The Agency may decline to fast-track a case where it considers that the circumstances do not justify doing so.

Limits of Fast-Tracking

Fast-tracking applies only to the Agency's internal rent arrears management and communication stages.

It must not be used to reduce, avoid or circumvent:

- any statutory notice period;
- any statutory threshold or condition;
- any court procedure;
- any applicable debt moratorium or legal protection;
- any requirement imposed by housing legislation; or
- any other legal right or protection available to the tenant.

Reaching a particular stage of the Agency's arrears process does not itself mean that a legal right to recover possession has arisen.

Where the Landlord wishes to consider recovering possession of the property or commencing formal legal proceedings, the matter must be dealt with separately in accordance with Section 7 – Possession and Legal Proceedings, and the Landlord should obtain independent legal advice from an appropriately qualified adviser or specialist provider.

Unless a fast-track approach has been properly justified, authorised and recorded in accordance with this section, the standard escalation stages and timescales above should normally be followed.

The agency or Landlord will follow the Ministry of Justice Pre-Action Protocol throughout and take instruction from the Landlord.

Where a 3rd party guarantor service is used like **Housing Hands**, the Agency and Landlord need to ensure they are informed of rent arrears as soon as possible. In most cases, this must be done **within 30 days** for a successful claim.

If the case is likely to reach a stage requiring eviction, this is a paid for service which the Agency can refer to a 3rd party provider to advise.

See also: Evictions & Property Compliance Policy

6. Supporting Tenants in Hardship

- We will signpost financial, benefit, or debt advice services such as Citizens Advice where appropriate.
- Tenants will be offered an opportunity to discuss repayment options.
- Where rent arrears result from delayed Universal Credit or Housing Benefit, we may delay escalation if genuine and evidenced.

7. Possession and Legal Proceedings

The Agency's role under this Rent Arrears Policy is to support the Landlord with rent collection, communicate with tenants regarding arrears, maintain appropriate records, seek reasonable resolution of arrears and keep the Landlord informed.

The Agency does not provide legal advice and does not determine, recommend or advise upon the statutory grounds on which a Landlord should seek possession of a property.

Where arrears become persistent or substantial, or where the Landlord indicates that they may wish to regain possession of the property, the Agency will inform the Landlord that they should obtain independent legal advice from a suitably qualified solicitor or specialist possession service.

If the Landlord wishes to pursue possession under the Housing Act 1988, as amended, responsibility for determining the appropriate ground for possession, satisfying the relevant statutory requirements, preparing and serving any possession notice, commencing court proceedings and conducting any subsequent enforcement action rests with the Landlord and their appointed legal or possession service provider.

The Agency will not:

- determine whether a particular statutory ground for possession has been satisfied;
- select or recommend a particular ground for possession;
- prepare or serve a statutory notice seeking possession as part of the standard management service;
- commence or conduct possession proceedings on behalf of the Landlord; or
- provide legal advice regarding the prospects of obtaining possession.

Where requested, the Agency may provide the Landlord or their appointed adviser with relevant factual information and records held in connection with the tenancy, including rent statements (where Agency rent collects), relevant records, correspondence, records of repayment arrangements and the chronology of arrears management, subject to applicable data protection requirements.

The Agency may also provide details of independent third-party legal or possession service providers which the Landlord may choose to instruct. Any such provider is instructed independently by the Landlord and does not act as part of the Agency's standard management service. The Landlord will be responsible for the provider's fees and for considering and acting upon the legal advice received.

Where the Agency assists with communication or provides documentation following the appointment of a legal or possession service provider, this does not amount to the Agency providing legal advice or accepting responsibility for the possession proceedings.

No possession action will be treated as authorised merely because the internal rent arrears escalation process has reached a particular stage. The Agency's arrears stages are management and communication stages only. Whether legal possession action is available or appropriate is a separate matter which must be considered by the Landlord with their appointed legal adviser.

The Agency will not take or assist with any action which it reasonably considers may amount to unlawful eviction, harassment, interference with the tenant's right to occupy the property, or an attempt to recover possession otherwise than through the lawful process.

8. Tenant Data and Protection

- Tenant personal and arrears data is handled confidentially and in compliance with **GDPR and UK data protection laws**.
- With tenant consent, we may share information with welfare or benefits agencies to assist in resolving arrears.
- See Privacy Policy

9. Fees, Interest, and Cost Recovery

- A grace period of **14 days** is provided for late payment.
- Thereafter, the agency may apply interest if specified in the tenancy agreement and compliant with the Tenant Fees Act 2019, unless otherwise agreed with the landlord.

10. Monitoring & Review

- Monthly reviews of rent accounts ensure activity is tracked.
- Cases of recurring arrears or enforcement outcomes are reported to a director.
- Landlords are kept updated with rent arrears.

11. Exceptions

- We retain discretion to deviate from the policy in cases coupling **anti-social behaviour** with rent default or other tenancy breaches.

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12. Appendix

Template - Stage 2 Agency Letter

Dear [Tenant Name],

According to our records, your rent account is now **[X weeks in arrears]**. As per the terms of your tenancy agreement, rent must be paid in full and on time even if your intention is to vacant the property.

We understand that difficulties can arise, and we are committed to working with tenants who may be facing genuine hardship. However, it is important you are aware of the **serious consequences** if this matter is not addressed promptly:

- **Legal action** may be taken to recover the arrears. This could result in a **County Court Judgment (CCJ)** against you.
- A CCJ will seriously affect your **credit rating** and ability to obtain loans, credit cards, mortgages, or even future rental properties.
- Continued arrears could ultimately lead to **eviction proceedings** under Section 8 of the Housing Act 1988.

We want to avoid these outcomes and instead support you in resolving this matter. Therefore, we would like to arrange a **face-to-face meeting or video call** at a convenient time to discuss:

- The reasons for the arrears,
- Any support or advice we can signpost you to, and
- An affordable repayment plan (if appropriate).

👉 Please contact us by **[insert date, e.g. within 5 working days]** to confirm a suitable time. You can reach us at [phone/email].

If we do not hear from you and the arrears continue, we will have no option but to escalate the matter in line with our **Rent Arrears Policy**.

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We strongly encourage you to take this opportunity to engage with us now so we can work together on a solution.

Yours sincerely,
[Your Name]
[Your Position]
Tu Nguyen Management Ltd