

Debt Recovery

The following related tools and resources can be found in the 'Tools and Resources' section in the members only area of the website.

- Sample Debt Recovery Policy

So you have someone who has not paid their bill what do you do?

Has your setting got a collection and debt recovery policy which ensures that collection methods are fair to everyone, especially those on low incomes?

Does your setting ensure billing is prompt and do you remind people quickly if they do not pay? By encouraging people to make early contact avoids the build up of a debt.

It is recognised that people do not pay their debts for a variety of reasons. Some people, because of living in or on the margins of poverty, will have difficulty in paying. The Playgroup Access Fund may be able to help and minimise the impact of debt. **See Playgroup Access Fund in membership section of website.**

Some people may deliberately set out to delay or not make payments and all methods should be used to secure payment in these cases.

Some people may be able to pay but do not pay because of an oversight or personal difficulties and not because of a deliberate decision to avoid or delay payment. The setting should help such people by developing a culture of payment by encouraging them to get in contact and discuss any difficulties.

The need to get in touch and keep communication lines open is central to Debt Recovery. By being approachable people will be more willing to make contact when they first face difficulties.

Once this line of communication is open between the customer and the setting their circumstances should be considered with a view to agreeing a reasonable payment arrangement, minimising recovery action and helping to alleviate hardship.

Where people fail to make contact or maintain arrangements, recovery action should continue.

What do I do if customers get into arrears?

- Provide clear and prompt information about bills and liabilities.
- The information provided should show what the bill or liability is for
- The amount due plus instalment dates

- How to make a payment ensuring the customer is aware that are responsible to make those payments on the dates agreed.
- A contact point for all enquiries.
- All such correspondence should be clearly written, without the use of jargon and should contain, where appropriate, information about where to get independent advice
- Ensure that payment arrangements reflect the ability to pay as well as the level of debt owed (using income and expenditure forms where appropriate) **An example can be found on the website in the Finance section.**

Remember

The easier it is to pay, the more likely it is that payment will be made.

Monitoring payment arrangements

- All payment arrangements should be closely monitored
- Prompt recovery action should be taken in respect of missed payments. Action could be taken, even where payment is received shortly after the due date.
- The customer should be reminded that the date on which instalments are to be paid is the final date on which money should reach the account. This means that individuals must allow sufficient time for the payment to reach the setting by the due date.
- When payment arrangements are not maintained it is important to ensure that prompt action is taken (by the individual) to try and bring the arrangement back up to date.
- A final demand letter could be sent including a warning that you will issue a county court claim if they do not pay by the date you give. **Sometimes this warning will encourage them to pay and you will not have to go to court.** Keep a copy of your letter and any reply.