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## Property Factoring Policy

**Policy Number – CVPS1**

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## **1. Introduction**

1.1. Clyde Valley Housing Association (CVHA), through its subsidiary Clyde Valley Property Services (CVPS), is committed to factoring privately owned properties and to provide an effective and sustainable property factoring service for homeowners.

1.2. This is delivered under the brand name of Clyde Valley Factoring

## **2. Context**

### **2.1 Core property factoring service**

Some tenants have exercised their right to buy their property and the impact of this has been the creation of mixed tenure estates, where tenants of Clyde Valley Housing Association live in estates or blocks where there are also private homeowners. When homeowners within these core estates bought their home, they accepted a number of responsibilities that are set out in a document called the 'Deed of Conditions.' , where there is no 'Deed of Conditions' the fallback position is the relevant legislation noted below .The 'Deed of Conditions places a legal obligation on every homeowner within an estate to contribute to the cost of maintaining common parts, open areas, footpaths, etc. that are not maintained by the local authority. Clyde Valley Property Services provides management services in order that tenants and homeowners can live within a well- maintained environment. This factoring service is provided by CVPS under the brand name of Clyde Valley Factoring.

### **2.2 Independent property factoring service**

In addition to mixed tenure estates, Clyde Valley Property Services provides independent factoring and associated property management services, in developments across the Association's area of operation which are fully privately owned.

## **3. Legislative & regulatory framework**

3.1 We will comply with all relevant legislation, standards and targets set down by the Scottish Government in terms of providing property factoring services, including:

- Title Conditions (Scotland) Act 2003.
- Tenements (Scotland) Act 2004; and
- Property Factors (Scotland) Act 2011.
- Property Factors Code of Conduct 2021

3.2 We will act in accordance with the terms of relevant Title Deeds, Deeds of Conditions, and Written Statements of Services that relate to the properties that we factor on behalf of homeowners.

## **4. Aim**

4.1 Our aim is to provide an efficient and responsive property factoring service to homeowners whose properties we factor, seeking to ensure that legal responsibilities are fulfilled, that the interests of all stakeholders are protected and thereby that factored housing, housing estates and the environment are well maintained.

## **5. Objectives**

### **5.1 Our policy objectives include:**

- ensuring that all homeowners fulfil their legal obligations in relation to the repair and maintenance of common parts of their property, including the provision of adequate buildings insurance as appropriate.
- ensuring that all homeowners fulfil their legal obligations in respect of the upkeep of common areas.
- ensuring that CVPS fully recovers from homeowners the costs of instructing the repair and maintenance of common parts of their property.
- ensuring that CVPS fully recovers from homeowners the costs of instructing the upkeep of common areas.
- ensuring that at all times CVPS acts legally and in line with relevant good practice guidelines.
- monitoring and reviewing the delivery of property factoring services and seeking to improve service delivery in response to customer feedback, evolving best practice and innovation.
- seeking to extend the provision of property factoring services and associated property management services through effective marketing and identifying viable business opportunities; and
- ensuring that staff and Board members routinely update CVPS's business plan.

## **6. Corporate fit**

### **6.1 Legislation & best practice**

#### **6.1.1 Our Property Factoring Policy complies with all legislation, guidance and good practice including but not limited to:**

- The Housing (Scotland) Act 1987.
- The Housing (Scotland) Act 2001.
- The Housing (Scotland) Act 2006.
- The Housing (Scotland) Act 2014.
- Abolition of Feudal Tenure Act 2000.
- Title Conditions Act 2003.
- Tenements (Scotland) Act 2004.
- Property Factors (Scotland) Act 2011; and
- General Data Protection Regulation.
- Property Factors Code of Conduct 2021

#### **6.1.2 Our Property Factoring Policy complies with the Association's Equality Policy. Clyde Valley Housing Association is committed to the elimination of all forms of unlawful or unfair discrimination and to promoting equality in all our functions. The Association is committed to equality for all people irrespective of their gender, marital status, family circumstances, disability, race, ethnic or national origins, age, religion or belief, political or sexual orientation.**

## 6.2 Business Plan & risk management

6.2.1 Providing an effective property factoring service within mixed tenure estates is a fundamental part of CVHA's strategic approach to asset management and this is reflected within CVHA's overarching Business Plan and assumptions made. Dealing effectively with the property factoring of mixed tenure estates is fundamental to protecting CVHA's core asset base.

6.2.2 CVPS's Business Plan is partly based upon revenue from factored properties. Maximising property factoring income is business critical for CVPS and minimising property factoring arrears is therefore important to mitigate business risk. However, it is also important for CVPS to seek and develop new business opportunities, related to asset management, in order to diversify and grow income streams both through its core property factoring market and independent property factoring markets.

## 7. Property factoring services provided to homeowners

7.1 CVPS provides a range of property factoring services to homeowners, including the following:

- coordinating and instructing common repairs and cyclical maintenance of properties as appropriate, using approved contractors.
- coordinating and instructing repairs and cyclical maintenance in relation to common areas as appropriate, using approved contractors.
- providing information to homeowners, including CVPS contact details, to assist homeowners in understanding their responsibilities and the role of CVPS as factor.
- issuing regular invoices to homeowners setting out costs incurred by CVPS in factoring properties, including administration/management fees.
- recovering costs from homeowners in relation to costs incurred by CVPS in factoring properties, including administration/management fees.
- sign-posting homeowners to other sources of advice and assistance – e.g., the local authority for information on the availability of private sector housing grants; and
- providing a Written Statement of Services for every factored homeowner and otherwise complying with relevant statutory and regulatory requirements.

## 8. Property factoring service charges and billing

8.1 CVPS aims to:

- ensure that all prospective homeowners are advised of their responsibilities in relation to paying property factoring charges.
- review routinely the key activities and processes essential to delivery of an efficient property factoring service to homeowners, evaluate the associated transactional costs and seek to ensure transparency of charges so that they cover the costs incurred by CVPS in delivering the service.
- review the level of charges annually and give at least four weeks' notice of any changes in the charges to be levied.
- ensure that homeowners are only charged for their share of any costs for which they have legal responsibility.
- invoice quarterly by providing itemised accounts for each property which set out all the costs that the homeowner is liable to pay, detailing the type/nature of charge, when it was incurred, amount of charge, VAT the total amount due
- issue an annual statement of account to every homeowner, showing all charges

and payments made for the previous financial year.

- ensure that homeowners sign mandates, where applicable, authorising common works and committing to pay their share prior to such work being instructed in line with the Written Statement of Services; and
- review our arrangements for recharging homeowners for common works, with such invoices for rechargeable common works being raised, in certain circumstances and issued as quickly as possible following completion of the work and where possible within 28 days (see section 11 below).

## **9. Property factoring arrears control**

### **9.1 CVPS will:**

- provide homeowners with a range of convenient ways to pay their property factoring charges (see Appendix 1).
- maintain up to date information on each homeowner's account and monitor regularly to ensure that all payments are received.
- ensure all actions/delays are clearly documented in each electronic diary note.
- keep a clear record of all arrears action and attempts to contact customers regarding their arrears.
- provide homeowners with advice and assistance, including agreeing repayment plans to reduce arrears over an acceptable period where this is appropriate.
- take action against all homeowners who do not pay for the property factoring services that they receive via CVPS – as per the Arrears Policy.
- work with debt recovery agencies, include credit reference agencies to trace homeowners who have an outstanding balance and to take arrears action.
- initiate legal action for the recovery of charges due where other action has failed – legal action may include court action for recovery of costs (including legal expenses). This may involve a number of enforcement remedies such as wage arrestment and bank account arrestment, etc.
- engage specialist agents to trace debtors and assist in pursuing property factoring arrears where appropriate.
- identify individuals or estates where there are significant property factoring arrears and focus recovery action; and
- treat all homeowners fairly and with respect including signposting to free debt advise services.

9.2 Non-payment of property factoring charges is a breach of the property factoring agreement and as such any deposit held can be forfeited and off-set against any arrears due.

### **9.3 Notices of Potential Liability (NOPL)**

9.3.1 NOPLs can be registered where a homeowner owes property factoring arrears or other debts. However, depending upon the sums owed, this approach may not be cost effective. Therefore, an updated schedule of debts will be collated and routinely reviewed, and a decision will be taken on whether to proceed to have registered a Notice of Potential Liability or to adopt an alternative approach, in line with our Factoring Arrears Policy. Notices of Potential Liability require to be renewed every three years.

### **9.4 Court Action**

- 9.4.1 The Simple Procedure court process is the court procedure that deals with debts of £5,000 or less through the Sheriff Court. Simple procedure is a court process designed to provide a speedy, inexpensive and informal way to resolve disputes. CVPS will generally use our solicitors to raise court action on our behalf, however CVPS are able to raise Simple Procedure action ourselves directly with the court. The desired outcome of raising this action is for CVPS to obtain decree against the homeowner.
- 9.4.2 There are a number of cases where **decree** has been granted by the courts. Where no payments have been received it is possible to enforce these decrees at any time. The lifespan of a decree is 20 years. It is recognised that in certain circumstances it can be difficult to enforce decrees, however it remains open to us to enforce the decree at any time during its lifespan should we become aware of an improvement in the debtor's financial circumstances. To this end, we will routinely review all cases where decree has been granted having first been satisfied that the debtor has received intimation of the decree. We will then identify those debtors who are employed or who have other assets and enforce the decree in the most appropriate manner which may include wage arrestment or bank account arrestment.

## **10. Involving & informing factored homeowners**

- 10.1 Homeowners who receive our core factoring service within Clyde Valley's mixed tenure housing estates can be represented on our customer panel by a homeowner. Homeowners will also be invited to participate in customer satisfaction surveys.
- 10.2 We will send factored homeowners newsletters periodically, as well as provide up to date information through our website ([www.cvha.org.uk](http://www.cvha.org.uk)). Our staff will be available during office hours to discuss individual homeowner or estate issues – homeowners can phone our office, e-mail ([factoring@cvha.org.uk](mailto:factoring@cvha.org.uk)) or make an appointment to visit our office.
- 10.3 We will encourage homeowners to take part in any projects involving common repair work and common improvements to property, directing them to agencies that may be able to offer them advice and assistance with financial considerations. This may include information on the availability of local authority grant funding, etc. However, homeowners may wish to seek independent financial advice in certain circumstances.
- 10.4 We will write to homeowners at the project planning stage to advise of proposed common work that may impact upon their property. However, details of the costs are unlikely to be available at this early stage. We will update homeowners with further details of the proposed specification, detailed costs, etc. as the information becomes available and engage with homeowners via drop-in sessions and meetings, where appropriate.

## **11. Recharging factored homeowners for common works**

- 11.1 Emergency repairs
- 11.2 We will instruct common emergency repairs, without prior consultation, and recharge homeowners for their share of the costs incurred. This type of repair will usually relate to keeping the property wind and watertight and/or addressing any urgent health and safety issues. We will issue notification and an invoice for such work, detailing the nature of the work and the cost to the homeowner. Invoices will be issued as quickly as possible following completion of the work.

- 11.2.1 The definition of an 'emergency repair' is set out within the Association's Maintenance Policy, under the terms of which the Maintenance Manager is able to define and instruct emergency repairs.
- 11.3 Routine repairs
- 11.3.1 Where we identify necessary routine common repair work, and in some cases preventative maintenance works, through a complaint or periodic estate inspection, we will consult with homeowners if the costs are anticipated to be over £150 per property. We will advise the homeowners of the specification of the work, the estimated full cost of the work and each property's share of the cost, in accordance with the Title Deeds for the property. We will normally only instruct routine repairs when we have formal signed authorisation from the homeowner (or the majority of homeowners affected) providing consent and confirming that they agree to pay in full for their share of the cost of the work. Where possible we will aim to obtain payment in advance of works, and within 28 days once the works are complete.
- 11.3.2 Subject to procurement rules, homeowners may be permitted to play a role in identifying a preferred contractor in a major works project where the Association is expected to pay its share for works to tenanted properties. However, in these circumstances any contractor identified must be acceptable to CVPS having submitted detailed proposals that meet our requirements in relation to specification, cost and quality, including compliance with statutory requirements in relation to health & safety, public liability insurance etc. The works will not commence until CVPS has given the contractor written consent and payment will not be made until satisfactory completion of the works, certified by a member of staff.
- 11.4 Improvement works
- 11.4.1 Where we identify necessary common improvement works, we will consult with homeowners in advance of any investment work that may affect their property. We will only include a homeowner in the project if the homeowner agrees to take part in the improvement works and is prepared to pay in full their share of the cost of the work. We may also consult with homeowners of properties that are attached to CVHA houses and where we have planned investment works so that they may consider being included in the project. We will only instruct such works when we have formal signed authorisation from the homeowner providing consent and confirming that they agree to pay in full for their share of the cost of work. We will aim to obtain payment in advance of works, and where possible within 28 days once the works are complete.
- 11.4.2 For major improvement works, and subject to procurement rules, homeowners may be permitted to play a role in identifying a preferred contractor in a project where the Association is expected to pay its share for works to tenanted properties. However, in these circumstances any contractor identified must be acceptable to CVPS having submitted detailed proposals that meet our requirements in relation to specification, cost and quality, including compliance with statutory requirements in relation to health & safety, insurance etc.
- 11.5 Role of the local authority
- 11.5.1 Under the provisions of the Tenements (Scotland) Act 2004 the local authority can become involved with issues common to a property, such as roof repairs, where there are two or more homeowners and the property is in decline due to the non-agreement of all interested parties to maintain the property.



- 11.5.2 In addition, following changes to the Housing (Scotland) Act in 2014, this saw revisions to the Tenancy Management Scheme (within the Tenements (Scotland) Act 2004) to allow local authorities to cover the cost of a missing share where the majority of owners have agreed to carry out a common repair but one or more owners cannot be located or cannot cover their share of the work. The local authority can then recover the costs directly from the missing owner through repayment charges. Previously, under the TMS, if the local authority had to cover a missing share, the cost would be split between the remaining owners who would then have to pursue the absent owner for their share. Allowing local authorities to cover the cost of a missing share can help to facilitate common repairs where the majority of owners have agreed to carry out work but are being prevented from progressing by a minority of owners. This may help to prevent further deterioration of common areas and avoid potentially dangerous situations and the need for emergency interventions.

## **12. Anti-social behaviour and disputes**

- 12.1 Homeowners and tenants are entitled to live in their homes free from fear and disruption from others.
- 12.2 We will not deal with any anti-social issues involving tenants and homeowners. However, we will take appropriate action where homeowners fail to meet the conditions of sale.
- 12.3 If there are disputes in relation to boundary or land, then any investigation or proposed resolution of such cases will require a detailed review of the title deeds relative to the sold property and relevant current legislation. If required, legal remedies may be considered in order to resolve a dispute (e.g., corrective conveyancing, court action, etc.). As with arrears recovery, our aim is to identify the most effective and efficient means of addressing such issues – this could potentially include some form of conjoined legal action where there are also arrears.
- 12.4 We will seek to ensure that all parties involved in a dispute are formally and regularly briefed in writing. This will include details of progress with any investigation and a full explanation of any decisions reached.

## **13. Complaints**

- 13.1 If a homeowner is dissatisfied with the way in which a property factoring issue has been processed, then they should follow our Complaints Procedure.

## **14. General**

### **14.1 Complaints**

- 14.1.1 Clyde Valley Property Services aims to deal with complaints as quickly as possible and in a fair, consistent, sensitive and confidential manner.

Customers can complain in the following ways:

- completing a Complaints Form.
- in person.
- by letter.
- by e-mail; or
- by telephone.

14.1.2 Complaints received will be resolved quickly and at the point of service delivery. Sometimes this will not be possible, and a more formal process will be invoked. The Complaints Policy and Procedure is available on request from the office or available to download from the website.

14.1.3 There are two distinct stages to the formal complaints handling process, which are described below.

#### 14.2 Stage 1 – initial complaint

The first stage has the following objectives, to:

- promote informal and direct contact with the complainant.
- offer an on-the-spot resolution.
- keep the ownership of the complaint where solutions are most likely to be found; and
- provide advice on the next stage of the procedure.

14.2.1 To help achieve this, the member of staff who normally deals with the complainant, should be approached where possible. This will allow the problems to be brought directly to the person's attention and will provide an opportunity for redress. If this stage cannot be used because the complainant feels uncomfortable about raising it with the member of staff directly involved or if an informal solution cannot be found, then the complainant should move on to Stage 2.

14.2.2 The target timescales for this stage are that such complaints will be acknowledged within 1 working day and a full response within 5 working days.

#### 14.3 Stage 2 – formal complaint

The objectives of this stage are to:

- offer a review of the earlier decision or a full re-examination of the matter.
- manage cases where the complainant wants to complain to a manager; and
- handle matters that must be investigated by a senior officer, such as maladministration, impropriety or allegations about members of staff.

14.3.1 Stage 2 complaints will be investigated by the Factoring coordinator, or where necessary the Customer Services Director, who should review all previous action on the complaint and decide the best way forward. This may result in both parties being interviewed. Whatever the method adopted, the complainant should be kept informed of progress at all times and Clyde Valley Property Services' final decision should be made available in writing, together with supporting reasons.

14.3.2 The target timescales for this stage are that it will be acknowledged within 1 working day and a full response within a maximum of 20 working days.

14.3.3 This is the final stage in the complaints procedure. If the complainant is still not satisfied with the outcome of their complaint, the complainant or their representative has the right of independent appeal through the Housing and Property Chamber.

### 15. Housing and Property Chamber

15.1 Under Section 17 of the Property Factors (Scotland) Act 2011, homeowners can make an application to the Housing and Property Chamber for a determination of whether their property factor has failed to carry out their property factoring duties or failed to comply with the Code of Conduct.

- 15.2 To take a complaint to the Housing and Property Chamber, homeowners must firstly notify their property factor in writing of the reasons why they consider that the property factor has failed to carry out their duties or failed to comply with the Code of Conduct. The property factor must also have refused to resolve the homeowner's concerns or have unreasonably delayed attempting to resolve them.
- 15.3 The property factor must keep a written record of all complaints made by homeowners or third parties during the past three years in case this information is required by the Housing and Property Chamber.
- 15.4 The property factor must comply with any request from the Housing and Property Chamber to provide information relating to an application from a homeowner.

Housing and Property Chamber  
First Tier Tribunal for Scotland  
20 York Street  
Glasgow  
G2 8GT

Tel: 0141 302 5900

Email: [HPCAAdmin@scotcourtsribunals.gov.uk](mailto:HPCAAdmin@scotcourtsribunals.gov.uk)

Website: <https://www.housingandpropertychamber.scot/>

## **16. Measuring outcomes**

- 16.1 We will monitor and review:
- invoice processing timescales against targets.
  - arrears recovery against targets; and
  - complaints and customer feedback.

## **17. CVPS Board role**

- 17.1 CVPS Board is responsible for approving the Property Factoring Policy and Business Plan, as well as monitoring the implementation of the policy, considering any proposed revisions to policy, and monitoring and reviewing CVPS's business plan assumptions.

## **Appendix 1: How to pay your property factoring bill**

### **Introduction**

Clyde Valley Property Services (CVPS) sends invoices quarterly. Clyde Valley Property Services offers homeowners the choice of a number of convenient payment methods.

### **By Direct Debit**

If you have a bank account, the easiest way to pay your property factoring bill is by Direct Debit. Direct Debit will save you time and help you manage your money. It is efficient and reliable. Your rights under the Direct Debit scheme are guaranteed.

Property factoring charges can be collected on a date that best suits your circumstances.

Customers should contact a member of the Factoring Team to set up a Direct Debit.

### **By Standing Order**

If you have a bank account, you can also pay by Standing Order. If you want to pay by Standing Order, we can arrange to send you a Standing Order form to allow you to set this up with your Bank.

However, if you pay by Standing Order, you must contact your Bank directly, giving them notice of any increase or other changes to your property factoring payments.

### **By Phone**

You can phone Clyde Valley Property Services directly on 01698 268855 to pay your property factoring bill over the phone. We can process payments from your debit or credit card through our mobile card payment terminals.

### **By 'Paypoint'**

You can use your plastic property factoring payment card to pay your property factoring bill at any shop or outlet where you see the 'Paypoint' logo.

### **At the Post Office**

You can use your plastic property factoring payment card to pay your property factoring bill at any Post Office.

### **By cheque**

A small number of factored homeowners pay by cheque, but this is not one of our preferred payment methods. If you currently pay by cheque, you should consider choosing one of our other payment options. Please contact us and we will be happy to discuss alternative payment methods with you.

### **At our office**

We operate mobile card payment terminals. This means that you can pay your rent or your property factoring bill at Clyde Valley Property Services' office using your debit or credit card during working hours. Please note that for security reasons we cannot accept cash payments at our office.

## Policy Change History

Version No:	Substantive Change	Author of Change	Approval	Date	Website
1.0	Policy created	F Smith	Board	29/03/22	Y
2.0	Administrative updates	F Smith	Board	02/06/25	Y