SHAFAATULLA PROPERTY MANAGEMENT

Debt Recovery Procedure 2025

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Debt Recovery Procedure

1. INTRODUCTION

Shafaatulla Property Management ("SPM") is a trading name of Shafaatulla Property Management Limited which is a registered property factor (PF000175). We specialise in numerous aspects of residential and commercial property management, including property factoring, property lettings and property maintenance.

Factors are bound by the Property Factors (Scotland) Act 2011 and Code of Conduct for Property Factors ('the Code'). It is a requirement of the Code that Property Factors have a written procedure for debt recovery. This document therefore sets out how we will collect income, manage arrears and recover any debt incurred.

Where SPM is the appointed agent of your property factor, we will follow this procedure and the following will apply:

- we will bill factored homeowners on behalf of your property factor.
- we will collect money owed and instruct debt recovery action on behalf of your property factor. Where court proceedings are necessary these will be pursued in the name of your property factor.

2. DEBT PREVENTION

As the property factor for your building, we employ a proactive, fair and effective debt recovery procedure. SPM is keen to ensure we make it as easy as possible for owners to pay for our factoring services. We offer the following payment methods to our customers:

• **By Bank Transfer** - Transfer direct to Shafaatulla Property Management Limited, **Bank:** TSB **Sort Code** 87-37-19 **Account Number** 75848668 Please ensure you use our invoice number when making the transfer to ensure this is correctly allocated to your factoring account.

• **By Standing Order** - Your payment arrangement should be agreed with your Factoring Officer, who can advise you how to set this up over the phone.

If you are experiencing difficulties in paying for our factoring services you should contact our office as soon as possible to avoid increasing debt. We can discuss a suitable repayment plan to avoid further debt recovery action, which can incur additional and unnecessary costs.

3. SPM FACTORING DEBT RECOVERY PROCESS

Our job as your property factor is to instruct repairs, maintenance and arrange any communal building block insurance, not to finance them. Every homeowner will have a shared financial responsibility with their co-owners to the extent that failure to meet their common charges invoices will compromise the maintenance, repair and servicing of the property and potentially put buildings insurance, if involved, at risk.

To help protect all homeowners against the likelihood of any homeowner not paying their common charges, we have in place a debt recovery procedure which operates as follows:

1. **Initial Invoice** - Your factor bill, when issued, is due for payment within 28 days.

2. **1st Reminder Letter** - If no payment has been made or satisfactory arrangement entered into within 28 days of the factor invoice, we will send you with a formal Reminder Letter. This Reminder Letter will offer you a further 7 days to pay all outstanding charges relating to your factor invoice.

3. **2nd Reminder Letter** - If no payment has been made or satisfactory arrangement entered into within 14 days from the date of the 1st Reminder Letter, we will send you a Final Reminder Letter. If no full payment has been forthcoming, this letter will generate a £30 administration fee which will be added to your factor invoice.

4. **Notice of Potential Liability** - At this stage we will reserve our right to instruct our solicitors to register and serve a Notice of Potential Liability for costs against your title. This will flag any debt and as a result inform any mortgage lender stated on your title deeds of the outstanding amounts relating to your factor invoice. A charge of £350 will be applied to your factor account to cover the legal and administration costs of serving a Notice of Potential Liability. You will also be responsible for the legal costs in relation to discharging the notice.

5. **Legal action** - Once all the above steps have been taken by us, we will then employ legal agents with the instruction to contact the debtor and recover all outstanding common charges. At this point debtors can still settle any debts with us and avoid court action. We would consider this to be undertaken as a last resort once the above steps have been exhausted.

   The case is then taken to court and decree for payment will be sought by us. All expenses and all associated legal costs will be sought to be recovered by us.

   Please note the above may not apply to you if you are paying a reasonable amount towards your factor bill every month via standing order, and your principal balance is at a reasonable level. We will inform you of what we consider to be a reasonable repayment amount each month.

4. DISPUTING A FACTOR INVOICE

If any customers dispute any of the charges included on their invoice, it is imperative that this is raised with SPM within 28 days of receipt of the bill. SPM will not consider any disputes raised out-with the 28-day period.

SPM will provide a written response following the outcome of the investigation along with reasons for any decision taken. If it is found that the charge is not valid (either in part or in full) then credits will be issued to the account. These credits will show on the next statement. If it is found that the charge is valid, the reasons why will be detailed in the dispute outcome letter.

It is important to note that other items on the SPM bill and other bills from us should still be paid by the due date while we investigate any disputed items. We will not carry out any other recovery action on the item being disputed while we investigate. You are still responsible for paying all other monies owed during the investigation. We will notify you of the outcome of our investigation when it has completed.

In line with the Code of Conduct for Property Factors, if a case relating to a disputed debt is accepted for investigation and referred to the First-Tier Tribunal (FTT) we will not apply any interest or late payment charges in respect of the disputed items during the period that the Tribunal is considering the case.

5. DEBT SUPPORT/ ADVICE SERVICES

We understand that our customers can also be affected by financial difficulties and will approach these conversations sympathetically and we will be reasonable in our approach to repayment agreement terms (based on an assessment of their income and expenditure).

You should be aware that free and impartial debt advice, support, and information on debt solutions is available from not-for-profit debt advice bodies. Citizens Advice are one such group, details of which can be found here: **www.citizensadvice.org.uk/debt-and-money/**. In addition, organisations and information on formal debt relief and management products, such as bankruptcy, protected trust deeds, and the Debt Arrangement Scheme (DAS) are available on the Accountant in Bankruptcy's website: **www.aib.gov.uk**