

## Corporate Arrears Recovery System (R.S.L.)

### CORPORATE APPROACH

Arrears Recovery for :

- Rent Arrears
- Service Charges
- Rechargeable Repairs
- H.B. Overpayments
- Court Costs
- Sundry Debts

### PROACTIVE RECOVERY

Early identification of arrears, allows the recovery process, most suitable to the circumstances of the tenant, to be implemented, minimising arrears escalation and avoiding eviction.

### INNOVATIVE

*“An innovative solution for arrears management which can transform the approach taken to manage arrears cases”*

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C.A.R.S.(RSL) is a unique solution, which enables organisations to effectively implement their arrears management procedures, to ensure that the most appropriate recovery actions are taken for each arrears case at the right time.

### Key Features :

- ◇ Effective and easy to use arrears case management and recovery facilities.
- ◇ Allows Corporate arrears approach linking different debt types into a single case.
- ◇ Allows early identification of arrears to minimise escalation.
- ◇ Assign cases to appropriate recovery profile based on their circumstances.
- ◇ Incorporate visits, advice and referral actions within each recovery profile.
- ◇ Record the key case details required by Equality legislation.
- ◇ Communicate with tenants by letter (multilingual), email or SMS.
- ◇ Assess income and expenditure as basis of realistic arrangement.
- ◇ Automated arrangement monitoring and early broken arrangement identification.
- ◇ Reduces the resources required to manage arrears caseload.

### Introduction

The CARS system provides excellent value for money by enabling significant collection improvements while reducing the costs of collection in line with Best Value.

The screenshots display the CARS software interface. The top window, 'Rent Arrears Details', shows debtor information (HUGH REILLY, CAROLYN REILLY), property address (72 FERRY ROAD, BOTHWELL, GLASGOW, G71 8RQ), and account details. A table shows 'Amount Due', 'Amount Paid', and 'Balance' for 'Main Rent Account' (£3,000.00, £2,958.24, £137.00) and 'Court Expenses' (£57.50, £10.00, £47.50). The bottom window, 'Sundry Debt Details', shows similar information for 'Sundry Debts' with a total balance of £1,072.65. It also includes a table for 'Recent Payments / Transfers' with columns for date, amount, and status.

### Benefits

- Easy to use.
- Corporate Debt Approach.
- Management information.
- Cost and time savings.
- Arrangement management.
- Arrears case consolidation.
- Outsourcing support.
- Automated letter production in bulk and for each case.
- Flexible recovery programmes.

### Corporate Arrears Recovery

The CARS system has been designed to :

- Provide early indication of arrears cases.
- Be pro-active to prevent arrears building up.
- Provide accurate statements of **Non Technical** arrears.
- Incorporate appropriate advice and support activity.
- Support a staged and progressive approach to recovery which is shown to follow policy and procedures.
- Provide cost effective arrears management.

## Arrears System Integration

The full details of all tenancy cases are automatically extracted from the core Housing Management /Rent Accounting system for management. Thereafter, the details of these cases are updated on a scheduled basis, normally daily, so that the case details are always up to date.

## Benefit Entitlement and Non Technical Arrears

The Benefit Entitlement for each Tenant is held within the system, and used to generate a Payment Profile, which clearly identifies the actual payments that they are due to pay, and allows their **Non Technical Arrears** to be accurately calculated.

Year	Rent	Benefit Ent	Recovery	Tenant Due	Tenant Actual	Benefit Rec'd
2005	£800.00	£400.00	£0.00	£400.00	£370.00	£390.06
2004	£2,280.00	£1,216.00	£0.00	£1,064.00	£957.00	£1,211.18

From	To	Rent	Benefit Ent	Recovery	Tenant Due	Tenant Actual
01/07/2005	31/07/2005	£200.00	£100.00	£0.00	£100.00	£70.00
01/06/2005	30/06/2005	£200.00	£100.00	£0.00	£100.00	£80.00
01/05/2005	31/05/2005	£200.00	£100.00	£0.00	£100.00	£100.00
01/04/2005	30/04/2005	£200.00	£100.00	£0.00	£100.00	£120.00

## Arrears Cases

Arrears cases are automatically assigned to the appropriate arrears recovery profile using parameterised selection criteria. A wide variety of selection criteria can be used including Benefit Status, level of debt, etc. This allows cases to be categorised and allocated to a recovery approach appropriate to their circumstances.

## Recovery Profiles/Programmes

Each Recovery Profile and/or Recovery Programme created in the system represents a series of recovery actions which are to be applied. These actions can include letters, visits, telephone calls, etc.

## Recovery Follow Up

Once each case has been assigned to a profile the outstanding follow up actions are clearly identified and easily progressed.

Cases can be progressed automatically by the system or manually by the staff responsible for the case. The system can be configured to allow cases to be handled by local or area staff initially with more serious cases being passed to a central arrears team.

## Equality Information

The system allows details of Household type, Gender, Age, Disability (incl. Mental Health) and Ethnicity to be recorded so that analysis of arrears cases can be provided.

## Income / Expenditure Assessment

To ensure that voluntary arrangements are as realistic as possible, users can undertake an Income / Expenditure assessment. The system allows templates of Income / Expenditure items to be created so that all of the commonly expected items are covered.

Income Type	Amount
Working Family Tax Credit	£0.00
Income Support	£0.00
Housing Benefit	£23.01
Child Benefit	£0.00
Wages	£100.00

Expenditure Type	Amount
Cable/Sky	£0.00
Rent	£25.00
Contents Insurance	£5.00
Life Insurance	£3.00
Clothing	£10.00
Telephone	£5.00
Water Rates	£3.00
Food/Household Items	£30.00
Gas	£0.00
Electricity	£9.50
Council Tax	£19.50

No.	Agreed	Review	Completed	Broken	Cancelled
1	16/08/2005	01/10/2005			19/06/2005
2	19/08/2005	19/11/2005			

Q/S Balance	Lump Sum	Balance Remaining	Agreed Payment	Start Date	Pay Frequency
£137.0000	£17.00	£120.0000	£13.00	20/08/2005	Monthly

First Instalment	No. of Instalments	Instalment Value	Last Instalment	Expected End Date	Payment Type
£13.00	10	£13.00	£3.00	31/05/2006	Cash

## Arrangement Recording

Voluntary arrangements, taking into account current rental, can be negotiated and recorded. Warnings, which can be overridden, are issued where a proposed arrangement falls outside the acceptable guidelines set by parameter.

## Arrangement Monitoring

Each arrangement is automatically monitored to assess whether the total amount agreed has been paid each period. The total payments are assessed on what has been paid by the debtor within the period, regardless of the specific debt to which the payment has been posted.

Where the payments fall short of the agreed amount, allowing for both late payment, and also minor differences, the agreement is considered broken and a Broken Arrangement letter is automatically issued.

## Advice and Support

The provision of Welfare Benefits advice, debt counselling and Money Advice (either internal or external) can be incorporated into the recovery profiles to ensure tenants in arrears receive the right support.

## Case Recovery Management

Within the case management screen, the recovery tab shows the current recovery stage and also a full history of all recovery stages that the case has been through.

Responsible	Stage	From	Action	Actioned	Hold Date
Rent Team	RA Final Notice	10/08/2005	Final Notice	10/08/2005	10/08/2005
Rent Team	RA Final Notice	01/08/2005	Final Notice	01/08/2006	01/08/2005
Rent Team	RA Final Notice	17/06/2005	Final Notice	05/06/2005	17/06/2005
Rent Team	RA Final Notice	05/06/2005	Final Notice	05/06/2005	05/06/2005
Rent Team	RA Initial letter	12/05/2005		12/05/2005	

## Document Production

Case management provides the facility for standard and ad-hoc letters to be generated for individual cases.

This allows standard documents to be issued quickly and efficiently using Word, to either the debtors, or any third party acting on their behalf. Each document generated is logged in the document history and can be retrieved for review.

Date: 16/06/2003  
Debtors Solicitors  
100 High Street  
Glasgow  
G1 1DB  
Tel: 0800 999 9999  
Ref: 123456  
(Please quote at all times)

Dear Sir/Madam  
Mr & Mrs C Douglas

TOTAL OUTSTANDING BALANCE - £ 7,014.48

Further to our recent correspondence with the above, and the arrears stated not being cleared, we have to advise you that court action will now proceed.

Yours faithfully  
Debt Recovery Team

The users are able to manually put a "Hold" on recovery which will either be released or require review at a set time. The users can also manually move the case to another recovery stage or profile. This allows authorised users to bypass any recovery action which may not be suitable and fast track cases for more serious recovery action.

## External Agencies

The system allows Recovery Profiles to be set up for external agencies and allows the criteria for passing cases to those agencies to be defined. This allows cases to be passed to external collection agents in a controlled manner.

External Agents can be allowed access to the CARS system so that they have up to date information, only for cases which have been allocated to them. With authorisation they are able to update the system directly with the results of their activities, e.g. proactive phone calls, latest contact details, agreed arrangements etc.

## Direct Deductions Manager

The Direct Deductions module of the system is designed to automate the request of direct deductions for both Income Support and Job Seeker cases. This enables the recovery staff to maximise the level of direct deductions which are being received and has already demonstrated significant increases in recovery.

Document	User Id	Date
Rent Arrears Initial Letter	ian	12/05/2005 16:05
Rent Arrears Final Notice	ian	05/06/2005 17:05
Rent Confirmed Arrangement	ian	17/06/2005 12:25
Rent Broken Arrangement	ian	01/08/2005 17:05
Rent Confirmed Arrangement	ian	10/08/2005 12:30

## Standard and Ad-Hoc Reporting

The system provides a number of standard reports for which selection criteria can be specified.

In addition, the underlying database can be interrogated by a number of standard windows reporting tools, to enable ad-hoc enquiries and reports to be produced by internal staff.

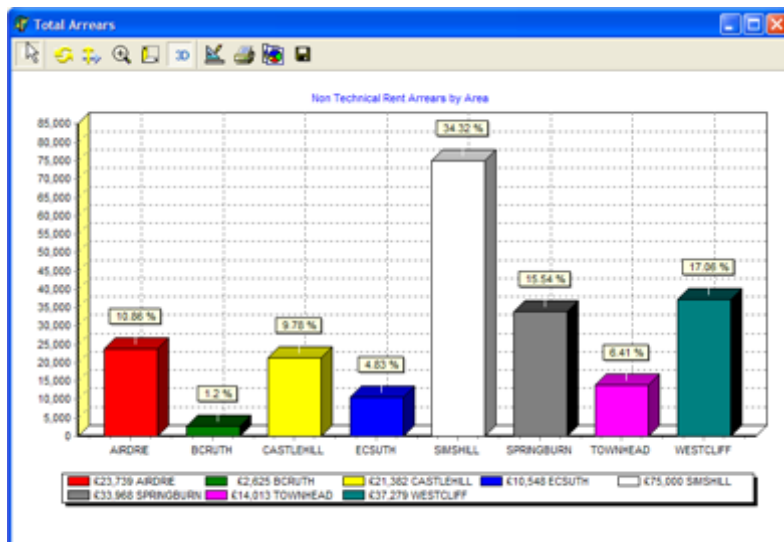
## Case Consolidation

CARS allows separate arrears cases to be consolidated into a single case for recovery. This is particularly useful where the links between accounts, e.g. Rent Accounts for different properties, have not been maintained. The outcome, is that the arrears become part of a current case, and not a former tenant account for which tracing is required.

## Management Information & Statistics

The information held within the system allows very comprehensive management reporting to be provided.

This is a key feature of the system, as the quality and accuracy of information about the arrears caseload, allows management to take the decisions necessary to reduce arrears and consequently evictions.



## Best Value

The CARS system provides a centralised facility for the management of arrears for an organisation and through its capabilities greatly reduces the level of manual resources required to effectively manage the overall arrears caseload.

## Platform / System Environment

**Corporate Arrears Recovery** is a thin client application which runs on a wide range of hardware platforms.

The system has been designed to operate over a Wide Area Network (WAN) and can also be used in a Citrix environment.

The client application can be installed on PC's operating under Windows 95/98/Me/NT and Windows XP.

The application server and update process both run as services on a Windows NT/2000/2003 server.

The underlying database server is SQL Server which would also operate on a Windows NT/2000/2003 server.

## Data Conversion & Load

Conversion and load of existing arrears recovery cases and arrangements into the system is an option, subject to the status and format of the existing computerised data.

## Merchant Software Limited

Merchant Software Limited is an independent software company which has extensive experience of working with Registered Social Landlords and local authorities in the area of revenues systems and arrears recovery.

The approach which the company has adopted is to work in partnership with clients in order to build a long term relationship which will mutually benefit each organisation.

The company's experienced staff will be happy to ensure that all aspects of the installation, commissioning and after sales support are handled to the clients satisfaction.

Merchant Software Limited is TickIT accredited.

## Future Developments

It is the intention of Merchant Software Limited that the functionality of the system will continue to be enhanced in order to improve the facilities provided to manage arrears cases and improve the cost effectiveness of the system.

Merchant Software Limited welcomes, as always, any input and suggestions from interested users.

## Product Information

Details of the Corporate Arrears Recovery System, and our other products, can be found on our web site [www.merchantsoftware.co.uk](http://www.merchantsoftware.co.uk)

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Whilst Merchant Software Limited have gone to considerable lengths to ensure the information presented in this brochure is accurate, constant development of the product will mean that the specification and format are liable to change. If you require specific information regarding the Corporate Arrears Recovery system then please contact us for the latest information.

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