

RENT REGULATION ERROR REFUND / REMEDIATION POLICY

2024 – 2027

1 - Introduction

This policy is concerned with the approach the Council will take to refunding any overpayment of rent and / or service charges arising from a rent regulation / rent calculation error made by the Council.

This policy sits alongside the Housing Related Debts Refund Policy and applies only in this specific circumstance. In all other instances where a refund is due, the Housing Related Debts Refund Policy will apply.

2 - Overview and General Principles

- a) The Council will prioritise calculating and making refunds to current tenants, before calculating and making refunds to former tenants.
- b) The Council will ensure that any overcharges in rent or service charges paid by the DWP in the form of Housing Benefit will be refunded to the DWP and not the tenant / former tenant.
- c) The Council will ensure that any overcharges in rent or service charges paid by the DWP in the form of Universal Credit will be refunded in line with instruction received from the DWP.
- d) Due to the complexity of calculating tenant's refunds where any of the rent and service charges have been met by Housing Benefit these refunds may take longer to process.
- e) Where a tenant may have held multiple tenancies with the Council, these will be treated separately for the purposes of calculating and communicating any overpayment, but any debts which remain outstanding from a tenant in respect of former tenancies may be taken into consideration prior to making payment of any refund due.
- f) Joint to sole tenancies, sole to joint tenancies and mutual exchanges will be treated as separate tenancies for the purpose of calculating overcharges and

making payment of any refund, in line with the way that tenancies are displayed in the rent accounting system

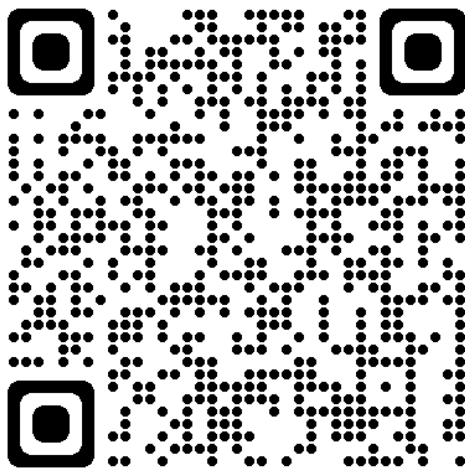
- g) Refunds will be calculated back to the date from which the error occurred, or the date from which the Council holds data in its rent accounting system if this is later.
- h) The gross value of any overcharge will be applied to the rent account, with deductions made to this for any sums due back to the DWP in respect of Housing Benefit or Universal Credit (as instructed by the DWP).
- i) Interest will not be paid on refunds as the Council does not charge interest on housing related debt including rent arrears, rechargeable repairs and Housing Benefit overpayments. This is consistent with any other overpayments made across the Council.
- j) In the event of a joint current tenancy, communication will be made with the tenants at the property address, but instruction in connection with any refund due will be taken from any of the named current tenants.
- k) In the event of a joint former tenancy, the Council will attempt to contact all tenants. During the tenancy, the tenants will have been jointly and severally liable for any rent and service charges. Therefore, any refund will be treated in the same way. If one of the joint tenants makes contact with the Council and can provide the required information to enable verification of the tenancy to take place, written authority from the other joint tenant(s) will be required to enable any refund to be paid. If former joint tenants have separated, any refund due will be split equally between the parties.
- l) In the event of a former tenant having passed away, any refund due will be made to the executors of the estate if they can provide the required information (detailed in Section 4) to enable validation to take place.
- m) All bank account details supplied will be verified prior to the Council making any refunds. Bank accounts will need to be in the name of the tenant / former tenant. In the event of a joint tenancy, the bank account will need to be in the name of one of the tenants or be a joint bank account in both of their names. The Council will use bank account verification software to perform checks to protect tenants / former tenants from errors or fraud. Where we are unable to use bank account verification software we will require a bank statement confirming the supplied bank details. If a tenant or former tenant provide evidence that they do not hold a bank account in their name, then the Council

may accept a signed letter of authority to pay to a bank account in a different name at its discretion.

3 - Current Tenants

Once an overcharge has been calculated, and any sums owing have been repaid to the DWP, before making any payment of a refund to the tenant the following will apply:

- a) The overpayment will first be offset to clear any housing related debt with the Council (as landlord) to include rent arrears, court costs, rechargeable repairs and Housing Benefit overpayments, relating to both current tenancies and any former tenancies held.
- b) The refund will then be applied to the current rent account, with the tenant having the option to choose whether they would like the sum refunded to their bank account or left on their rent account to reduce future rental payments.
- c) If the Council does not receive a request for a refund to be made direct to a bank account, the credit will be left on the rent account.
- d) Once any credit balance is exhausted, the tenants will have responsibility to ensure that they begin to make rent payments again. The Council suggests that current tenants sign up to the Cambridge City Council Self-service Housing Portal (if not done so already) where the current rent balance can be checked. This can be done by going to the Cambridge City Council website, selecting 'Housing', and following the instructions to register and create an account. Or scan the QR code below:



- e) Where a credit balance is left on the rent account and the tenant pays by Direct Debit, payments will be reduced by splitting the credit equally across the remaining number of Direct Debit payments in the financial year, unless otherwise instructed. Where a credit balance still remains at the end of a financial year, payments will be reduced by splitting the remaining credit equally across the new financial year.
- f) Where the current tenancy is in joint names, the Council will take instruction from the first tenant to make contact in response to a communication by the Council, paying any refund due and requested to the bank account (or accounts if the payment is to be split) supplied by this tenant.

4 - Former Tenants

This section of the policy sets out the Councils approach to refunding any sums that may be due to former tenants, where the Council will hold variable levels of data depending upon the timeframe and circumstances of the former tenancy.

- a) Where the Council holds details of a former tenant's rent account in the rent accounting system, and a forwarding address is present, the Council will attempt to verify the forwarding address through the Council Tax system. Once verified, the Council will write once to the former tenant at this address. If no response is received to this letter within 6 years, the credit on the rent account will be removed and no refund will be made after this date.
- b) Where the Council holds details of a former tenant's rent account in the rent accounting system, but no forwarding address is present, the Council will attempt to identify the forwarding address through the Council Tax system. If a forwarding address is identified, the Council will write once to the former tenant at this address. If no response is received within 6 years, the credit on the rent account will be removed and no refund will be made after this date.
- c) The Council anonymises personal data in compliance with UK GDPR where a former tenant rent account is over 6 years old and has a zero-balance outstanding. In such instances, there is no rent account to apply any overcharge to and no means by which the Council can identify the former tenant to contact them. The Council will provide details of the rent regulation / rent calculation error on its website and supply a web form that any former tenant who thinks they may be eligible for a refund can complete and submit. In this instance, the former tenant will be asked to provide:
 - Name
 - Address of tenancy

- Period of tenancy
- Tenancy agreement (if still held)
- Utility bill (if still held)
- Evidence of payment of rent (rent card / bank statement extract)
- Bank account details for any refund due to the tenant
- Any other evidence to support the existence of their tenancy.

Based on the information provided the Council will then make reasonable attempts to validate the claim by checking the Council Tax system and liaising with the Housing Benefit Team.

There is no guarantee that a refund will be paid in these circumstances and the Council will retain full discretion when considering such claims. If the Council is unable to satisfactorily validate the claim once these checks have been completed, no refund will be paid. If a former tenant is dissatisfied with the outcome arrived at by the Council through this refund policy, they will be advised to make a complaint through the Council's formal complaints process.

Where a former tenant account has been verified,

- d) The overpayment will first be offset against any housing related debt with the Council (as landlord) held in the rent accounting system, to include rent arrears, court costs, rechargeable repairs and Housing Benefit overpayments, relating to any former tenancy between the former tenant and the Council.
- e) In the event of 4 a) or 4 b) the credit will be applied to the rent account, with any sum due to the tenant refunded directly into the nominated bank account.
- f) If the event of 4 c) any refund due to the tenant will be made directly into the nominated bank account, as there is no rent account to reflect the transactions within.
- g) Where the former tenancy was in joint names, the Council will take instruction from the first tenant to make contact, paying any refund due to the bank account (or accounts if the payment is to be split) supplied by this tenant.