



## DEBT RECOVERY PROCEDURE

Our debt recovery procedure provides clear guidance to our customers on the actions to expect in the event of non-payment of your account. Non-payment of your account can have a negative impact on our ability to finance common goods and services at your property. This is likely to affect your fellow proprietors, and as such, may need to be communicated to them, in the event that we are unsuccessful in collecting common charges. Property factors are required by law to make owners aware of such debts – please see below for further information.

**RMG Scotland encourages you to contact us should you experience difficulty in paying your account, in order to agree repayment terms, and avoid additional recovery action and associated fees. Please call us on 0345 002 4499 – Our Customer Service Centre is open 24 hours per day, 365 days per year.**

Invoices issued by RMG Scotland are due for settlement, in full, from either the invoice date or payment due date (whichever is the latter).

If you make monthly direct debit payments, you should regularly review your balance to ensure you are paying enough. Should you require assistance, or wish to make a change to your payment plan, please contact us on 0345 002 4499.

Should you have a valid dispute in relation to a charge which appears on your account, you cannot withhold payment of the full balance of the account. Please notify us of your dispute within 28 days of the payment due date. If we are unable to resolve your dispute immediately, you will be advised to withhold payment of the relative sum, and requested to make payment of the remaining balance. The remaining balance will be subject to the debt recovery procedure below.

### STAGE 1 – REMINDER NOTICE

If your account remains unpaid following 28 days of the payment due date, a reminder notice will be issued. A charge of £34.00 will be incurred for this action and applied to your account.

### STAGE 2 – SHERIFF OFFICER, SOLICITOR OR DEBT RECOVERY AGENT

Should your account remain unpaid within 7 days following the issue of our reminder notice, your details will be passed to a Sheriff Officer, Solicitor or Debt Recovery Agent. At this stage RMG Scotland property factors will charge a referral fee of £50.00.

A notice of imminent legal proceedings will be served upon you at this time. The sheriff officer or debt recovery agent will charge a fee for this service. This fee is recoverable from you and will be charged to your account.



### STAGE 3 – COURT PROCEEDINGS

At this stage RMG Scotland will charge an additional £120.00 referral fee and court action for recovery of outstanding debt and associated legal expenses may be raised in the event of continued non-payment of your account. Where decree is granted by the Sheriff Court and payment of the account is not forthcoming, we will be forced to proceed with diligence action. Diligence is the term used to describe several methods creditors in Scotland can use to recover debts following a decision by the court. We will seek to recover the costs incurred from diligence in association with the debt, from you.

### ADDITIONAL POTENTIAL ACTION

#### NOTIFICATION OF OUTSTANDING DEBT TO OWNERS

We will keep homeowners informed of any debt recovery actions of other homeowners which could have implications for them (subject to the limitations of data protection legislation). Implications may be that unpaid debts could impact on the financial ability to pay for goods and services at a property. There may a requirement which stipulates that the owners are jointly liable for unpaid debts. RMG Scotland will exhaust our debt recovery process and consider utilising a debt spreading provision only as a last resort.

#### NOTICE OF POTENTIAL LIABILITY FOR COSTS

In addition to our debt recovery procedure and in accordance with the Title Conditions (Scotland) Act 2003, a Notice of Potential Liability for Costs can be lodged on the title of your property with the Registers of Scotland. The notice is valid for a period of 3 years, unless satisfied by a Notice of Discharge following receipt of payment. The notice states that you have unpaid costs in association with your property and creates a transferrable burden. This means that if you sell your property, the new owner will be liable. The solicitor or debt recovery agent will charge a fee for lodging the Notice of Potential Liability for Costs which will be applied to your account. If you pay your outstanding balance, a Notice of Discharge can be provided, discharging the owner of the property with this obligation. You will need to pay the sheriff officer or debt recovery agent for a Notice of Discharge. Should your balance remain outstanding on expiry of a Notice of Potential Liability for Costs, this will be renewed on the same basis as above.