Factoring Policy

This document can also be provided in large print, braille, audio or other non-written format, and in a variety of languages

HAPPY TO TRANSLATE

Last reviewed – July 2026 Version:1.3

Approval body	Group Governing Body
Date of approval	August 2026
Date of next policy review	August 2029
Customer engagement required (Yes/No)	No
Your Voice engagement required (Yes / No)	No
Equality Impact Initial Assessment completed (Yes / No)	Yes
Full Equality Impact Assessment required (Yes / No)	Yes
Data Protection Risks Assessed (Yes / No / N/a)	Yes
Health and Safety Risks Assessed (Yes / No / N/a)	Yes
Sustainability Impacts Assessed (Yes / No / N/a)	Yes
Procedures Updated (Yes / No)	Ongoing
Date Procedures Last Reviewed	December 2021
Data Impacts / IT System Changes Assessed (Yes / No)	Yes
Training Needs Assessed (Yes / No / N/a)	n/a
Previous Policy Version	1.2
New Policy Version	1.3

Equality Impact - Initial Assessment

1. People responsible for carrying out this assessment			
Policy Owner:	Head of Investment and Sustainability		
EQIA Assessor(s):	Head of Investment and Sustainability, Governance Officer		
Name of Policy:	Factoring Policy		
Date of last EQIA:	July 2026		
2. Purpose, aim(s) and expected outcomes (including who will benefit):			
The policy provides the framework for delivering property factoring services to owners, shared owners and shared equity owners. It ensures compliance with legislative and regulatory requirements, promotes transparency, supports effective maintenance of common property and establishes arrangements for communication, service delivery, consultation, complaints handling and debt recovery.			
3. Is there a direct impact on people, or how the service is delivered?			
Yes. The policy affects homeowners who receive factoring services from the Group, including how information is provided, charges are applied, consultations are undertaken and complaints are managed.			
4. Potential impact on diverse communities, customers or groups?			
The policy has the potential to affect all customers receiving factoring services. Particular consideration is required for customers who may require information in alternative formats, require communication support, experience financial hardship or face barriers in engaging with consultation and payment arrangements.			
5. Is there a Positive or Negative impact?			
Positive ☐ Negative ☐ Neutral ☒	Which groups does it impact?	The policy aims to provide a fair, transparent and equitable approach to service delivery and does not intentionally disadvantage any protected group.	
6. Details of any engagement activities carried out			
Existing customer feedback received through factoring complaints and enquiries. Consultation undertaken during policy review with operational staff. Consideration of Property Factors (Scotland) Act 2011 and Property Factors Code of Conduct requirements. Annual satisfaction survey issued to all factoring customers.			
7. Overall Impact Rating			
Material impact ☐		Non-material impact ☒	
8. Initial Assessment Findings and Recommendation			
Initial Assessment Only ☐		Full EQIA Required ☒	
9. Reason(s) for Recommendation			
The initial assessment identifies the potential for the policy to have a greater impact on specific groups of customers, therefore a full EQIA is required.			
Date of Initial Assessment		July 2026	

Contents

1.0 Introduction

The Caledonia Group comprises of Caledonia Housing Association and its subsidiary partner Cordale Housing Association. This policy sets out the principles, standards and arrangements that govern the delivery of factoring services by the Caledonia Group to owners, sharing owners and shared equity owners within properties where the Group has factoring responsibilities.

The policy aims to:

- Ensure compliance with all legislative and regulatory requirements relating to factoring services.
- Provide a transparent, fair and customer-focused factoring service.
- Clearly define the roles, responsibilities and obligations of both the Group and homeowners.
- Support effective management and maintenance of common property.
- Ensure value for money for customers receiving factoring services.

2.0 Scope of the Policy

This policy applies to:

- Owners of factored properties.
- Shared owners and shared equity owners.
- Employees responsible for delivering factoring services.
- Contractors and consultants acting on behalf of the Group in relation to factoring activities.

2.0 Principles, Aims and Objectives

2.1 Policy Objectives

The Group will:

- Deliver factoring services in a professional, transparent and accountable manner.
- Ensure customers understand the services provided and associated charges.
- Maintain effective communication and consultation with owners.
- Recover the reasonable costs of delivering the factoring service.
- Maintain accurate records and financial controls.
- Promote early intervention and support where customers experience financial difficulties.
- Continuously improve services and demonstrate value for money.

2.2 Legislative and Regulatory Context

The delivery of factoring services is governed by, but not limited to:

- The Property Factors (Scotland) Act 2011.
- The Property Factors (Code of Conduct) (Scotland) Order 2012 and subsequent updates.
- The Tenements (Scotland) Act 2004.
- The Title Conditions (Scotland) Act 2003.
- The Housing (Scotland) Act 2006.

The Group will also comply with:

- Registration requirements within the Scottish Government's Register of Property Factors.
- The outcomes and standards set by the Scottish Housing Regulator, including the Scottish Social Housing Charter.
- Relevant equality, data protection, health and safety, human rights and consumer protection legislation.

The Group will recognise and operate within any applicable:

- Deeds of Conditions.
- Exclusive Occupancy Agreements.
- Other title or ownership-related obligations.

3.0 Definitions

3.1 Key Terms

Key terms are summarised below:

- **Factoring Service -** The management, maintenance, repair and administration of common property on behalf of owners.
- **Factor -** The organisation appointed and authorised to manage common property and services on behalf of owners.
- **Owner -** A person who owns a property within a factored development.
- **Common Property -** Areas and assets shared by more than one owner including roofs, closes, grounds, lighting and other communal facilities.
- **Factoring Charges -** Charges levied to recover the costs associated with delivering factoring services and managing common property.
- **Written Statement of Services -** The terms and conditions document provided to homeowners setting out services, responsibilities, charges and arrangements.

4.0 Policy Statement

4.1 Core Principles and Standards

The Group will:

- Maintain registration with the Scottish Government's Register of Property Factors and submit all required statutory updates.
- Comply with all legal and regulatory requirements relevant to property factoring.
- Provide all owners with a written statement of services and terms and conditions.
- Ensure there is appropriate authority to act on behalf of owners.
- Deliver services in accordance with title deeds and other applicable legal agreements.
- Operate transparent accounting arrangements.
- Keep homeowners informed about services, costs and performance.
- Consult with owners where approval is required for non-core works or services.
- Maintain appropriate arrangements for complaints handling.
- Hold suitable professional indemnity insurance.
- Procure services and contractors in accordance with Group procurement arrangements.
- Report on performance, income and expenditure, complaints and service improvements in accordance with governance reporting arrangements.

The Group will communicate with customers in a manner that is clear, accessible, professional and easy to understand

5.0 Roles and Responsibilities

5.1 Implementation Responsibilities

Applications for registration will be in the name of Caledonia Housing Association or Cordale Housing Association as the companies within the Group, and the most senior person in the management structure directly concerned with the control or governance of the property factoring service.

Both the companies and the senior persons must demonstrate they are “fit and proper” to deliver the service, and do not have any criminal convictions.

Operational responsibility is delegated to managers and officers responsible for:

- Delivery of factoring services.
- Homeowner communication and consultation.
- Financial administration and accounting.

- Contractor management and procurement.
- Complaints handling.
- Debt prevention and recovery.

5.2 Monitoring and Enforcement

Management will monitor:

- Service performance.
- Customer satisfaction.
- Financial performance.
- Factoring arrears.
- Complaints and outcomes.
- Compliance with legislative and regulatory requirements.

Reports will be provided to the relevant governing bodies as required.

6.0 Procedures

6.1 Process Overview

Factoring services will be delivered in accordance with the Property Factors Code of Conduct and associated Group procedures.

Key operational requirements include:

General Obligations

- Maintaining accurate and up-to-date property and customer records.
- Maintaining records relating to ownership, title burdens, insurance and charges.

Written Statement of Services

- Providing all owners with clear terms and conditions.
- Defining service standards, core services and additional services.
- Setting out charging arrangements and billing cycles.
- Informing owners of significant service changes.

Authority to Act

- Operating within powers and responsibilities established through title deeds and contractual arrangements.
- Providing information on how owners may seek to change factor where applicable.

Communication and Consultation

- Providing accessible and timely communication.
- Consulting owners regarding non-core works where approval is required.
- Seeking written approval where necessary.

Accounting and Financial Management

- Maintaining clear separation between Group funds and funds held on behalf of owners.
- Providing annual and ownership transfer statements.
- Making supporting information available where appropriate.

Insurance

- Arranging buildings insurance where required.
- Maintaining Professional Indemnity Insurance.

Repairs and Maintenance

- Providing clear arrangements for reporting repairs.
- Maintaining emergency and out-of-hours procedures.
- Procuring contractors through approved procurement processes.

Debt Prevention and Recovery

The Group will adopt a proactive approach to preventing and managing factoring debt through:

- Early intervention.
- Flexible repayment arrangements where appropriate.
- Signposting to debt advice and support services.
- A staged arrears recovery process.
- Legal recovery action where necessary and proportionate.

Complaints

Complaints will be managed in accordance with the Group Complaints Handling Procedure. Once this process has been exhausted, owners may refer matters to the First-tier Tribunal for Scotland (Housing and Property Chamber).

6.2 Reference to Procedural Documents

This policy should be read alongside:

- Factoring Terms and Conditions.

- Factoring Procedures.
- Complaints Handling Policy.
- Procurement Policy.
- Financial Regulations Policy.
- Data Protection Policy.
- Repairs & Maintenance Policy.

7.0 Compliance and Enforcement

It is important that all members of staff, in carrying out their duties for the Group, do so in accordance with the Group's policy framework. Our policy framework ensures we comply with laws and regulation, while giving guidance to inform operations and decision-making. Our policies have been designed to be clear and easy to understand and are available on our website and intranet. If any member of staff is unclear as to their responsibilities under this policy, then they should refer to their line manager and / or the policy author for further guidance. A failure to comply with Group policies can have serious consequences for the Group. Should an employee become concerned about serious non-compliance with the policy, they should speak to their line manager or refer to the guidance set out in the Group Whistleblowing Policy.

8.0 Review and Revision

8.1 Review Frequency

This policy will be reviewed every three years or earlier where there are changes in legislation, regulatory or operational requirements.

8.2 Responsibility for Updates

Responsibility for reviewing and updating this policy rests with the Head of Investment and Sustainability.

9.0 Approval and Effective Date

9.1 Approval Details

Approval Body: Caledonia Management Board
Approval Date: 13 August 2026

9.2 Effective Date

This policy shall take effect from the date of approval.

Appendix 1 Equality Impact Assessment (EQIA)

Person(s) responsible for carrying out this assessment	
Policy Owner:	Head of Investment and Sustainability (HoIS)
EQIA Assessor(s):	HoIS, Governance Officer
Name of Policy:	Factoring Policy
Date of last EQIA:	July 2026

Protected Characteristic: Age	
Potential/actual impact identified	**Actions to remove or reduce impact**
Older customers may require information in alternative formats or additional support in understanding factoring responsibilities and charging arrangements. Younger homeowners may have limited experience of property ownership and common maintenance obligations.	Provide information in plain English. Offer alternative formats on request. Provide individual support and explanations where required. Ensure multiple methods of communication are available.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Protected Characteristic: Disability	
Potential / actual impact identified	**Actions to remove or reduce impact**
Customers with physical, sensory, learning or cognitive disabilities may experience barriers in accessing policy information, consultations or billing information.	Provide documents in large print, Braille, audio or alternative formats. Make reasonable adjustments where required. Offer support through a nominated representative where appropriate. Ensure communication channels are accessible.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Protected Characteristic: Gender Reassignment (transgender)	
Potential / actual impact identified	**Actions to remove or reduce impact**
No adverse impact identified. The policy applies equally to all customers regardless of gender identity.	Ensure services are delivered respectfully and without discrimination. Maintain customer confidentiality and comply with data protection requirements while ensuring formal correspondence is addressed in accordance with legal and contractual requirements.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Protected Characteristic: Marriage and civil marriage or partnership	
Potential/actual impact identified	**Actions to remove or reduce impact**
No specific adverse impacts identified.	Apply the policy fairly without regard to marital or civil partnership status.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Protected Characteristic: Pregnancy and maternity	
Potential / actual impact identified	**Actions to remove or reduce impact**
Customers may experience temporary difficulties engaging with consultations, correspondence or payment arrangements during pregnancy or maternity leave.	Provide reasonable flexibility in engagement methods. Signpost debt advice and support services where appropriate. Consider individual circumstances when discussing repayment arrangements.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Protected Characteristic: Race (including, ethnicity, nationality and Gypsy, Roma and Traveller communities)	
Potential / actual impact identified	**Actions to remove or reduce impact**
Some customers may face language or literacy barriers which could affect understanding of factoring obligations or consultation documents.	Offer translation and interpretation support where appropriate. Use clear and accessible language. Provide information in alternative languages on request.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Protected Characteristic: Religion or belief (consider dates/times of events in relation to religious practices/festivals)	
Potential / actual impact identified	**Actions to remove or reduce impact**
No significant adverse impact identified. The policy does not directly affect customers on the basis of religion or belief.	Ensure consultation and engagement activities are planned with consideration for major religious observances where practical. Respect cultural and religious requirements.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Protected Characteristic: Sex / Gender	
Potential/actual impact identified	**Actions to remove or reduce impact**
No adverse impact identified.	Apply policy fairly to all customers regardless of sex or gender.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Protected Characteristic: Sexual orientation (LGBTQ+)	
Potential / actual impact identified	**Actions to remove or reduce impact**
No adverse impact identified.	Ensure all customers are treated with dignity and respect. Apply customer service standards fairly and inclusively.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Beyond the 9 Protected Characteristics	
Socioeconomic status Digital exclusion Financial vulnerability	Homelessness Unpaid caring responsibilities
Potential / actual impact identified	**Actions to remove or reduce impact**
Customers experiencing financial hardship may be disproportionately affected by factoring charges and debt recovery action. Unpaid carers may experience difficulties engaging with consultations, meetings or payment arrangements. Customers who are digitally excluded may experience barriers in accessing information or engaging with services where online communication is used.	Promote early engagement where payment difficulties arise. Offer repayment arrangements where appropriate. Signpost independent money advice and debt support services. Apply debt recovery processes fairly, proportionately and in line with procedures. Provide flexible communication methods.
Overall Impact?	Positive ☐ Negative ☐ Neutral ☒

Further Recommendations? *(Consultation, issues, questions, changes to policy made in light of the assessment and any follow-up actions, including action lead and timescales)*
Continue offering information in accessible formats and alternative languages where required. Monitor complaints, customer feedback and service outcomes for evidence of unintended or unequal impacts. Review arrears recovery outcomes annually to ensure vulnerable customers are not disproportionately affected. Ensure staff receive equality, diversity and customer service training. Continue signposting customers experiencing financial difficulties to independent money and debt advice services. Consider the needs of customers affected by digital exclusion and provide alternative methods of communication and engagement where practical.

Overall Impact Rating	
Material impact	Non-material impact
☐	☒

If the assessment identifies negative impacts that are material, an extended equality impact assessment will be carried out.

Extended impact assessment carried out
Not applicable