

Recovery of service charges through legal action



Homes for Haringey

www.homesforharingey.org

- How we will recover money you owe us
- A step by step guide



Introduction

This leaflet explains the steps we will take to get back service charge bills you haven't paid (arrears).

What happens if I do not pay a service charge invoice?

We will send you a reminder letter to pay the invoice. If you still do not pay, we will send you a Letter Before Legal Action (LBA).

I have received a Letter Before Legal Action (LBA). What does this mean?

This letter is to warn you that we are going to take court action if you do not pay the amount shown in the letter. It means you owe money on your service charge account because you have not paid your service charges, which the reminder letters have already told you.

If you do not want us to take you to court, you must pay the amount shown in the LBA letter within seven days from date of the letter. You will also have to pay £50 for the cost of us sending the LBA letter.

What happens if I do not pay a service charge invoice?

You can pay in different ways, including:

- ◆ cash;
- ◆ cheque;
- ◆ over the phone;
- ◆ by debit or credit card; and
- ◆ on-line.

Please contact us if you need more details.

What should I do if I can't pay?

Contact us. We will try to help you or refer you to a fully trained advisor at the Citizens Advice Bureau who will work with you to improve your financial situation.

What will happen if I don't respond to the LBA letter?

We will make a claim against you in the court. You will have to pay the costs of the claim, plus interest on the arrears at the statutory rate (currently 8% a year). The costs of the claim include the court fee and solicitors' costs. These costs depend on the amount of your arrears (see the costs table at the end of this leaflet).

I have received a claim form from the court. What do I do?

Do not ignore the claim form. You only have a limited time in which to reply. If you do nothing, the court could make a judgement against you without sending you any notice. This could make it difficult for you to get credit. The court will send a 'Response pack' with the claim form, telling you what to do. Follow the instructions carefully.

If you want to avoid a court judgement against you, you need to pay the full amount including the costs and interest. This will end the court action and a county court judgement will not be registered against your name. You will also avoid paying more costs and interest.

I owe the money and want to pay it straight away. How should I do this?

You can pay in person at:
Haringey Council's Payment Service, 247 High Road, Wood Green, N22.

Or, you can phone us and we can tell you about other ways to pay. Do not send your payment to the court or our legal service.

What can I do if I cannot afford to pay the money straight away?

Speak to us to see if you can pay in instalments. If you cannot agree on the instalments, you can ask the court for time to pay, but you must act quickly. Follow the instructions in the response pack sent out by the court.

Can I defend the case against me?

Yes. If you don't think you should pay the charges, or you haven't received the services provided described in the claim, you must fill in the documents in the response pack you received from the court. Follow the instructions provided on the documents and send them back to the court. There will then be a hearing in the court, or your case will be referred to the Leasehold Valuation Tribunal to look into.

What happens if I do nothing?

We will ask the court to make a judgement against you without having a hearing. This will result in extra costs and interest being added to your account.

I have received a judgement from the court. What does this mean?

This means that the court has issued a formal decision (the judgement) that you must pay. It tells you how much you must pay, and when. This order is called a county court judgement (CCJ).

The court will enter your name on the register for county court judgements. Your name will normally stay on the register for six years.

This will make it very difficult for you to get credit as banks and all other lenders know of the entries on this register and take this into consideration when they make decisions on giving credit.

If you have a mortgage, the Home Ownership team will send a letter to your mortgage provider asking them to pay your arrears. They will normally pay on your behalf and add the debt to your mortgage.

If the judgement is still not paid, we will start the process of enforcing the judgement (please see 'What happens if I do not pay the judgement?' below).

Can I have my name removed from the court register?

Yes. If you pay the amount shown in the judgment in full within one month from the date of the judgement, you can ask the court to take your name off the register. You may have to pay a fee to the court to do this.

It might be possible to apply to the court to set the judgement aside, but the court will only do this in special circumstances.

You should get independent legal advice before taking up this option as you might have to pay more costs if you are not successful.

What happens if I pay later than one month after the judgement?

You cannot have your name taken off the register, but you can ask the court to mark the register to show that you have paid the debt. The court may charge a fee for doing this.

What happens if I do not pay the judgement?

If the judgement against you is not paid by the date shown in the

judgment, we will start the process of enforcing the judgement. 'Enforcing' the judgement is when we ask the court to force you to pay.

How will the court force me to pay the judgement?

The court will enforce the judgment in the following ways.

Charging order or order for sale

Our team can ask the court to make a charging order against your property. A charging order is like a mortgage.

It secures the judgement debt against your property. Once a charging order has been made, we can ask the court to force you to sell your property so we can get back the money you owe.

If the court agrees, they will issue a 'warrant of execution' which means you will have to move out and your property will be sold at public auction. All charges against the property and costs are paid for out of the sale and any money that is left after that will be refunded to you.

Forfeiture

We can ask the court to order that your lease is ended (forfeited). If the

lease is forfeited you lose your rights of ownership. You can be evicted and the property has to be handed back to the council. You will still have to pay the judgement debt and if you have a mortgage, you will still have to pay the mortgage.

We will start this process by sending you a notice under section 146 of the Law of Property Act 1925 telling you that unless you pay the judgement debt, we will ask the court to order that your lease be forfeited.

Other action

We can ask the court to make an attachment of earnings order. This means that the court can order your employer to take money from your salary or wages and pay it to us.

We can start bankruptcy proceedings against you. This means we will ask the court to declare you bankrupt. If the court declares you bankrupt, they will appoint a trustee in bankruptcy to manage your financial affairs and you will not be able to have the final say about how your money is spent. The trustee will then normally use your money to pay the service charges on your behalf.

We can ask the court bailiff to take and sell your personal belongings.

What are the costs I might have to pay?

Here is a list of costs you may have to pay.

Our fees	
Office copy entry fee from the Land Registry (to confirm who owns your home)	£20 (see note 1 below)
Sending you a letter before legal action (LBA)	£50 (see note 1 below)
Interest charged each day on your arrears	8% a year
<i>These fees are 'service charges' under your lease. If we do make a charge, we will send you a separate statement of your legal rights.</i>	
Court fees <i>If you owe:</i>	<i>The court fee is:</i>
up to £300	£30
more than £300 up to £500	£50
more than £500 up to £1,000	£80
more than £1,000 up to £5,000	£120
more than £5,000 up to £15,000	£250
more than £15,000 up to £50,000	£400
Solicitors' costs <i>If you owe:</i>	<i>The solicitors' costs are:</i>
more than £25 up to £500	£50
more than £500 up to £1000	£70
more than £1000 up to £5000	£80
more than £5000	£100
Other costs	
Sending you a section 146 notice	£50
Charging order (the costs of sending you the order, and solicitors' costs)	Likely to be more than £200
Order for sale (issue and solicitors' costs)	Likely to be more than £1,000
Warrant of execution for recovery of property (possession)	£90
Other charges like litigation costs <i>(Litigation is when the matter has to be decided by a judge at a hearing because you did not agree you owed the service charges. Litigation costs include all the action the solicitors have to take and the extra court fees and so on.)</i>	No set cost

Please note this leaflet is not legal advice and we do not guarantee the information it contains is correct. The fees shown above may change and you can ask for the up-to-date fees from any court office. If you have any doubts about what to do, you should get independent legal advice from a solicitor, Law Centre, or Citizens Advice Bureau.

Useful contacts

Home Ownership team

Homes for Haringey Ltd
13-27 Station Road
London
N22 6UW
Phone: 020 8489 3023
E-mail: home.ownershipteam@homesforharingey.org
Website: www.homesforharingey.org

Haringey Council's Payment Service

247 High Road
Wood Green
N22

Haringey Council's website

www.haringey.gov.uk

Customer Services

48 Station Road
Wood Green
N22 7T

Edmonton County Court

59 Fore Street
London
N18 2TN
Phone: 020 8884 6500

Clerkenwell and Shoreditch County Court

The Gee Street Court House
29 - 41 Gee Street
London
EC1V 3RE
Phone: 020 7250 7200

Barnett County Court

St Mary's Court
Regents Park Road
Finchley Central
London
N31BQ
Phone: 020 8343 4272



Recovery of service charges through legal action – How we will recover money you owe us

Please help us improve our service by filling in the form below and sending it back to us

Please tick a box below to show which statement you agree with.

I found this leaflet easy to understand.

I did not find this leaflet easy to understand.

If you would like to make any comments about this leaflet, please tell us in the space below:

Your name:

Address:

Phone number:

BUSINESS REPLY SERVICE
Licence number ND 6039

Home Ownership team
Homes for Haringey
13 – 27 Station Road
Wood Green
London
N22 6UW

Translation and interpreting services

This leaflet tells you what we will do to get back money you owe us for service charges. For a free copy in your own language, tick the box, fill in the form and return to the address below.

Albanian

Kjo fletushkë ju tregon se çfarë do të bëjmë për të marrë paratë që ju na keni borxh për detyrime shërbimi. Për një kopje falas në gjuhën tuaj, shënjoni kutinë, plotësoni formularin dhe kthejeni atë tek adresa e mëposhtme.

Bengali

বিভিন্ন সেবার খরচ বাবদে আপনার কাছে আমাদের পাওনা টাকা আদায় করার জন্য আমরা কি করবো তা এই প্রচারপত্রে আপনাকে জানানো হচ্ছে। আপনার নিজের ভাষার কপি বিনা মূল্যে পাওয়ার জন্য বাঞ্ছা টিক্ চিহ্ন দিন, ফর্ম পূরণ করুন এবং নিচের ঠিকানায় সেটা ফেরত পাঠান।

French

Ce dépliant vous explique les mesures que nous prendrons pour obtenir l'argent que vous nous devez pour les frais de service. Pour en obtenir un exemplaire gratuit dans votre langue, veuillez cocher la case, compléter le formulaire et le renvoyer à l'adresse au port payé ci-dessous.

Kurdish

Ev belavok ji we re dibêje ku ji bo ku em deynê xwe yê mesrefên xizmetan ji we bisfinin em ê çî bikin. Ji bo kopîyeke bêpere bi zimanê we, qutikê îoaret bikin, formê tijê bikin û ji navnîdana jêrîn re biôtînin.

Somali

Buugyarahan waxaa ku qoran tilaabooyin aan qaadi karno si aan u helo lacagaha service charges ee lagugu leeyahay. Si aad u hesho nuqul lacag la'aan ah oo luuqadaada ku qoran, sax mari sanduukha, soo buuxi foomka kuna soo dir ciwaanka hoose.

Turkish

Bu broşür bize hizmet ücretleri için borcunuz olan parayı almak için ne yapacağımızı anlatmaktadır. Kendi dilinizdeki ücretsiz bir kopyası için lütfen kutuyu işaretleyip formu doldurunuz ve aşağıdaki adrese yollayınız.

Please tell us if you would like a copy of this leaflet in another language that is not listed above or in any of the following formats, and send the form to the freepost address below.

In large print On CD-ROM On audio tape In Braille

In another language Which language? _____

Name: _____

Address: _____

Telephone: _____ Email: _____



Please return to: **Freepost RLXS-XZGT-UGRJ Haringey Council, Translation and Interpretation Services, 8th Floor, River Park House, 225 High Road, London N22 8HQ**



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