

12 TOP TIPS TO GET TENANTS PAYING AND REDUCE RENT ARREARS



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One unfortunate by-product of letting a home is the possibility of rental arrears – which, while thankfully rare in most cases, can still affect a number of landlords.

It became a particular problem during the pandemic, when landlord and tenant finances alike were impacted by Covid-19 and its impact on economies around the globe.

Sometimes tenants or you yourself as a landlord will face unique financial pressure, so it's important for you to know how to cope with rental arrears or tenants having difficulty paying their rent each month, which then in turn has financial consequences for you.

The vast majority of tenants will be doing all they can to pay their rent each month and not fall into debt, but what can you do as a landlord to encourage tenants in arrears to pay back what they owe?

Here are our 12 top tips...



1. Stay proactive and remain on the front foot

If you haven't already, it's a good measure to contact your tenants first and let them know that you are there to help. If you don't know the details of their financial situation, there's nothing you can do to help them.

Contacting them first can help you to prepare your own finances and reduce the shock impact of any changes to your rental income. By showing your tenants that you are approachable and friendly, you can build a stronger relationship and increase the chances of them paying back what they owe.

2. Be sympathetic to your tenant's circumstances

It may sometimes be the case that your tenants are having financial difficulties that are outside of their control – for example job loss, separation from a partner or bereavement.

As a result, if your tenants are having trouble financially, it's important that you are sympathetic and do everything you can to help.

3. Work with a reputable letting agent

Dealing with rent arrears can be daunting and stressful for landlords, particularly if you are relatively new to the market. By working with an experienced letting agency, you can have the peace of mind that they are handling all communications and have the systems in place to manage rent arrears effectively.



The best letting agents are well-versed in communicating with tenants and will have various strategies in place to encourage them to pay their rent and reduce their debt.

4. Use technology to your advantage

Encouraging your tenants to organise standing orders is a simple and effective way to reduce rent arrears. It stops tenants withholding rent and means they don't have to remember to pay you every month.

Meanwhile, recording all details of payments digitally can provide you with a clearer picture of who owes what and how your overall portfolio looks. It also provides you with a clear paper trail if you need to provide evidence at a later date.

5. Make sure everything is in writing

Although it's important to speak to your tenants regularly, when it comes to agreeing conditions around the tenancy, you must make sure everything is followed up in writing.

This provides you with evidence if you need

it in the future to prove something that has been agreed upon. Nowadays, contacting your tenants in writing via email, text or WhatsApp is perfectly acceptable.

6. Have you spoken to the guarantor?

When some tenancies are signed - particularly those involving students - a guarantor is named as someone who will be liable to pay the rent if the tenant defaults. If your tenant is in arrears, now is the time to contact the guarantor and make them aware of the situation. They are likely to be a close friend or family member, so they could be in a better position to encourage the tenant to pay up, especially if their own money is at risk.

7. Advise tenants about the options available to them

If your tenant is having difficulty paying their rent, it could be beneficial to explain to them the various options for financial support which are available.

These include Universal Credit and other forms of housing benefit, which could help them to pay back some of what they owe.

8. Communication is key

As with all parts of the lettings process, communicating effectively with tenants is vital. For example, keeping tenants up to date with their payment schedule can help them to keep track of what they owe.

Meanwhile, having in-person conversations with renters can help you to come to a solution together, but always follow it up in writing! During uncertain times, as remains the case at present, it's important that landlords, letting agents and tenants work together.

9. Speak with your lender and insurer

If rent arrears are starting to become an issue for your portfolio, you'll need to speak with your insurer. Finding out if your policy includes protection for rent arrears or future legal costs is key, while knowing the excess of the insurance policy will also prove useful.

Moreover, you could benefit from speaking to your mortgage lender, who could offer you a mortgage payment holiday if the situation with rental arrears is really bad.

10. Repayment plans are a great solution

If your tenants are struggling to pay rent, one of the most effective things you can do is to agree a repayment plan with them. Not only does this provide you with more clarity about when you might be receiving money, but it helps the tenant to organise their finances.

What's more, repayment plans help to build up trust between both parties and allow tenants to pay back at least some of what they owe so the landlord is not completely out of pocket.

11. Comply with Breathing Space regulations

Since May 2021, new legislation called the Debt Respite Scheme - also known as a 'Breathing Space' - has provided tenants in serious debt with additional legal protection.

Landlords won't be able to chase unpaid rent for up to 60 days if a tenant has been given a 'Standard Breathing Space'. There are also 'Mental Health Crisis Breathing Spaces' for tenants who are receiving recognised mental health treatment. It's vital that landlords comply with these regulations and do not chase debt if tenants in arrears have been given any kind of Breathing Space.

12. Remember to remain professional

Dealing with rent arrears can be frustrating, but it is important for you as the landlord to remain professional and respectful of tenants at all times. Do not bombard renters with phone calls and always remain polite and courteous in all correspondence. As always, a professional letting agency can help to manage the relationship with tenants on your behalf.

We hope these tips help and contribute towards reducing the impact of rent arrears on your portfolio. If you require further guidance or advice, please don't hesitate to get in touch with us.

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