

CHS Group – Scrutinising Team – Report

Name of Scrutiny Report	Rent and Service Charge Payment Methods
Who was involved in the review	Scrutinising Team – TL (Chair), LD (Vice Chair), KE, MT, CS, SP, JE and RD. CHS Staff – Helen Tonks, Director of Customers, Chris Durrant, Assistant Director of Financial Accounting and Compliance, Rosie Trew, Housing Officer, Housing with Care and Kris Cairns, Communications Manager.
Purpose of the review	The Tenant Scrutinising Team looked at how different payment methods financially impact CHS and therefore resources available for tenants. We wanted to find out why tenants pay by different methods and share that information with CHS. The Tenant Scrutinising Team wanted to ensure that tenants were aware of the different ways they could pay their rent and service charges and the financial implications to CHS.
Background	CHS asked the Tenant Scrutinising Team if they would like to look into this as there hadn't been a recent review. The Scrutinising Team met with Chris Durrant, Assistant Director of Financial Accounting and Compliance to understand the various payment methods and costs to CHS. Chris shared a report outlining the percentage and number of tenants paying by different methods (Appendix 1: Financial Report of Transactions July 2024). It was explained that direct debit is the cheapest and easiest method for CHS to receive payments. CHS's current payment provider is Allpay. Allpay process direct debits, debit card transactions online and by phone, Paypoint and Post Office transactions. CHS also receive rent and service charges through cash, cheque, standing order and online bank transfers but the staff costs/time are higher for these methods. It was noted that these payments were harder to reconcile with the tenancy number. Credit card transactions are not permitted as they are more expensive and could encourage tenants to get into debt.
How we approached the review (Method)	Tenant Scrutinising Team excluded the tenants who pay by direct debit from our research, as this is the most cost-effective method for CHS to receive funds, and we focused on the tenants that paid by other methods. The Voids Admin Team shared the leaflet about payment methods that is given to new tenants (Appendix 2).

	Tenant Scrutinising Team designed a survey questionnaire asking tenants to help CHS understand why they paid by their chosen method. (Appendix 3). We designed a video which showed the different methods of payment. The survey was sent by email to approx. 1000 tenants and the video link was embedded in the invitation to the survey (Appendix 4). We identified tenants who didn't have an email and we called a selection of these tenants. We received 69 responses to the email survey and 9 telephone responses. We published several articles in the tenant newsletter to let tenants know about the project (Appendix 5). The Tenant Scrutinising Team asked Chris Durrant about PayPal, bank transfers and other payment providers. The cost of using PayPal was too expensive. The bank transfers were less easy to reconcile with tenancy accounts. The Scrutinising Team requested the Finance Team to conduct a procurement exercise into other providers. Two other providers were found; one didn't provide the same services, and the second provider was more expensive than Allpay. Due to this project, the Finance Team looked into other tariffs Allpay offered and realised they could transfer to a new contract with a better tariff. The Scrutinising Team looked into payment by cheque and spoke to the Housing Officer for Housing with Care Rosie Trew. Rosie explained that she would get a new tenant to fill in a Direct Debit mandate at the sign-up meeting, but it took 2 weeks to process a Direct Debit. Rent should be paid in advance, and so as not to start the tenancy in arrears, she was asking the new tenant to bring their cheque book and make the first payment by cheque. After speaking to the Voids Admin Team, she discovered that CHS could take a future payment over the phone using a debit card and an Allpay number, this eliminated the need for cheques. Rosie was offering tenants the option to pay by standing order but now this is not offered as an option, unless this is their only way of paying.
Results / Findings	Analysis of the Scrutiny into Tenants Payment Methods. Survey responses were received from 78 tenants who paid CHS by methods other than direct debit.

	The majority of tenants seemed to be fully aware of their main options to pay. 40 tenants use online and Internet banking. 18 tenants use the Post Office or Paypoint. 17 tenants use the Phone to pay. 4 tenants use Standing Orders. 2 tenants use other methods but as they gave no more information, we are unsure why. We asked the Tenants how long had they used this method of payment? The majority of tenants had used their payment methods for more than one year. We asked the tenants for the reason they use these methods? 45 tenants said it is easier. 35 tenants said it gave them more control. 12 tenants said it was convenient. 3 tenants said it was quick. 4 tenants said it was simple. 3 tenants said it was due to Anxiety/Mental Health. We asked was there anything preventing you from using another method? Of those who answered 52 tenants said no and 25 said yes. Other things tenants said: keep forgetting to set up a direct debit; only recently opened a bank account; pay varies and agoraphobic. We asked would you like someone from CHS to contact you to let you know what support there is? 23 tenants who answered said no. There were no tenants who said yes. We asked if a tenant would be happy for a member of the Tenant Scrutiny team to contact you about your answers? Of those who answered 24 said yes and 56 tenants said no. Refer to Appendix 6 Scrutiny Results Payment Methods Raw Data and Appendix 7 Analysis of the Scrutiny into Tenants Payment Methods Charts.
Conclusions	1. Tenants are aware of different methods to pay. 2. Most tenants are using their current payment method because it is the easiest method for them. Some tenants

	like the control that it gives them and the speed and simplicity. 3. Some tenants indicated that they wouldn't be able to change their payment method due to mental health/anxiety and the feeling of security that the current method gives them. 4. CHS need to continue to provide a variety of payment methods to meet tenants' needs. 5. Video is an accessible way to communicate and reach more tenants. 6. Although the minority of tenants are paying by methods other than direct debit, it shows the need to include these tenants in forward planning.
Recommendations	1. CHS continues to provide a variety of payment methods. 2. The Scrutinising Team recommended that Finance sign a new contract with Allpay on a new tariff saving £30k to CHS. 3. CHS can ask tenants to use methods other than cheques, such as phone debit card payments. 4. Video could be used more to communicate with tenants as this seemed to be successful. 5. Once CHS tenants have migrated from legacy benefits to Universal Credit, then the majority of tenants will receive their income monthly, and this would be a good time to revisit those that pay more frequently to see if they want to change payment frequency or method.

Appendices	Appendix 1 Financial Report of Transactions July 2024 Appendix 2 Leaflet about Payment Methods Appendix 3 Scrutiny Survey on Payment Methods Appendix 4 Video Link https://youtu.be/omJEWgBs-4k Appendix 5 Links to Articles in Tenant Newsletters https://www.chsgroup.org.uk/wp-content/uploads/CHS-Group-November-Newsletter-FINAL.pdf https://www.chsgroup.org.uk/wp-content/uploads/CHS-Group-July-Newsletter-V2.pdf Appendix 6 Scrutiny Results Payment Methods Raw Data Appendix 7 Analysis of the Scrutiny into Tenants Payment Methods Charts
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