

Managing Credit in Property Management

Effectively managing a collection portfolio of service charge and ground rents in the current economic climate has its challenges. Having joined an expanding property management group last year as credit and collections manager these challenges have been met head on.

The Qdime Group of companies manage a large number of developments across the UK for resident management companies and freeholders, RS Cameron provide managed collection services in-house as well as externally on a business to business basis.

The management of a service charge account is generally a six monthly cycle and accordingly account management is critical to avoid escalating arrears. With the slowdown in the economy the group saw a rise in the number of arrears cases, which was reflected across the industry sector.

The solution was to setup a dedicated collection operation designed to meet the requirements of that industry sector. The method was simple, increase collections rates, minimise the costs and produce a product to market to external clients as well.

Major improvements have been made by the implementation of tighter collection controls and procedures supported by a highly adaptable collection software system from Nexum Software. The software has enabled a higher volume of accounts to be managed by a member of the team and improve the collection rates through automation and integration with the group's existing management software.

By using integrated email, text, letters and phone calls for customer communication we have been able to build a momentum which has resulted in improved query management across the group. Customers are responding well to a more proactive management of their accounts together with an improved range of payment solutions and communication methods.

The economic downturn has increased the number of cases where debtors are experiencing severe financial difficulty; we see a regular flow of Mortgage Company's taking possession and LPA Receivers being appointed along with personal bankruptcies. As the property market strengthens a new range of challenges will emerge as properties change hands and a new unknown customer enters the cycle.

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Part of the **Qdime Group**