

CREDIT CONTROL POLICY

What is the aim of LRM's credit control policy?

Under the terms of your lease, service charges and ground rent demands are due in advance of the period to which they refer and LRM's building expenditures budgets are planned on this basis. Our credit control system aims to ensure that the Property Manager is always in prompt receipt of the funds required to manage the building and its services effectively.

Why does LRM include an administration charge for collecting late payments?

Sending reminder letters is a time-consuming and costly process. Our procedure avoids increased management charges overall and targets only defaulting leaseholders.

How does LRM's credit control procedure operate?

- Stage 1** The invoice is issued in advance of the due date.
- Stage 2** The first arrears letter is issued with an administration charge.
- Stage 3** A second arrears letter is issued with an administration charge.
- Stage 4** A Land Registry search is undertaken to confirm details and to check for any alternative address of which LRM has not been made aware. Fees incurred are added to the debt.
- Stage 5** The account is referred to solicitors for debt recovery proceedings. Please note that solicitors' costs are normally in excess of £300 and these and any other costs incurred will be added to the debt.

Our charges have been legally assessed as being fair and reasonable within the property management sector.