

In order to ensure that sufficient funds are available to pay the mortgages, utility bills, etc Pay4Property Ltd has a policy of monitoring the payment performance of all its tenants. This helps to ensure that tenants are making rent payments in on time.

The payment performance figures are updated automatically by our digital systems when a payment is received. We make the payment performance figures available to the tenant on their Tenant Access Website page and also publish this policy for transparency.

We encourage our tenants to maintain the highest payment ranking possible as this is frequently a good sign of a healthy tenancy that we are normally happy to extend. It also ensures that we are able to give a positive reference on payment performance to future landlords when the tenant wishes to move on.

What do we monitor?

We use 3 keys indexes :

Number of late payments – We count the number of late payments and divide it by the total number of payments due to date to give a percentage. This is subtracted from 100 to provide a percentage. For instance if there is 1 late payment out of 10 payments due then the performance percentage shown would be 90%.

Days late – We count the number of days late for all late payments and divide it by the number of days in the tenancy to date to give a percentage. This is subtracted from 100 to provide a percentage. For instance 10 days late out of 100 days in the tenancy to date then the performance percentage shown would be 90%.

Over-all Payment Performance – Calculated by adding the percentages for Number of late payments and Days late together and dividing by 200 to provide an over-all performance percentage.

Where a percentage has a decimal fraction we round UP to the nearest whole number so for example both 94.1% and 94.8% would be round up to 95%

These indexes only relate to rent payments due. If payments for other permitted charges like key replacement are due they are not included in the indexes as they are generally very infrequent but may be considered for tenancy renewal decisions.

What is a late payment / days late?

When deciding whether a payment is late we first consider the day of the week the payment is due. For payments due on a Saturday or Sunday, they will not be considered late if the payment is received on the Monday after the weekend.

Examples :

1. If a payment is due on a Monday and arrives on the Tuesday it WOULD be a late payment and 1 day late.
2. If a payment is due on a Saturday and arrives on the Monday following the weekend it would NOT be considered a late payment and would be 0 days late.
3. If a payment is due on a Saturday and arrives on the Tuesday following the weekend it WOULD be considered a late payment and would be 1 days late (as the weekend days are ignored).

4. If a payment is due on a Saturday and does not arrive at all in the following week but is then paid on the next Monday then I WOULD be considered a late payment and would be 7 days late (as the first weekend days are ignored but subsequent weekend days are counted).

How are the percentages ranked?

We look at the percentage for each figure and give it a rank :

%	Rank	Description
100%	Excellent	The tenant has always paid on time and has met/exceeded our payment expectations.
95% +	Good	The tenant has paid a small number of payments a day or two late but most payments have been on time.
90% +	Acceptable	The tenant has paid a few payments late but usually only by a few days and most payments have been on time. Occasional late payment reminders may have been sent.
71% +	Poor	The tenant has made numerous late payments or has been more than a few days late on several payments. They have usually been sent several late payment reminders.
< 70%	Very Poor	The tenant has made many late payments or has been substantially late on one or more payments. Frequently they have to be sent late payment reminders before paying.

What are the consequences of a low ranking?

Where a tenant is 95% or better (Good / Excellent), except in rare instances where there are breaches of the tenancy agreement or we need to renovate / modify the property, we would generally be happy for the tenancy to be extended.

Where a tenant is 90-94% (Acceptable) we work with the tenant to encourage them to regularly pay on time which would improve their ranking over time. Except in rare instances where there are breaches of the tenancy agreement or we need to renovate / modify the property, we would generally allow the tenancy to be extended.

Where a tenant is 71-89% (Poor) we work with the tenant to encourage them to regularly pay on time which would improve their ranking over time. If the tenants rank is improving then we will consider allowing the tenancy to be extended, though this is not guaranteed. If the tenants rank is not improving then we are unlikely to renew the tenancy but will consider each case individually and may allow a tenancy to be extended if we believe there are valid reasons for the late payments and there is a good prospect for improvement in the future.

Where the tenant is below 70% (Very Poor) we work with the tenant to encourage them to regularly pay on time which would improve their ranking over time. We will consider each case individually but once a tenants' performance has reached this stage in most cases there are other breaches of the tenancy agreement so a tenancy extension would be very rare and we may begin proceedings to terminate a tenancy early.