

## Factoring Review Update August 2025-IMPORTANT UPDATE

Following on from the Factoring update in our recent Newsletter, we felt it would be helpful to provide more detail on a number of points linked to the Factoring Service you receive from RCHA.

Your continued custom as one of our factored owners is very important to us.

Firstly, we wished to confirm that the Management Fee for the Factoring Service has been the subject of significant appraisal in recent months and it is abundantly clear that what RCHA charge for this facility is not enough to meet the costs of supplying the service.

This is not a new situation - but has prevailed for a number of years and now needs to be addressed so that our RCHA Tenants are not subsidising the services received by RCHA Factored Owners. We are accountable to our tenants and to ensure that we comply with the Scottish Housing Regulator's guidance that factoring services should be charged at actual cost to factored owners.

With these principles very much to the fore, we have been reviewing our factoring service to improve the service delivery for our factored customers and to make it more efficient going forward

In line with this wholesale review of Factoring, we are delighted to announce that the Board have given approval to recruit a Lead Officer for taking the Factoring business forward.

The selection process for identifying the right individual is now underway and we

are optimistic that the new leader for Factoring will be appointed during early Autumn this year.

To fully support the successful person in their new role, the Factoring Team will also benefit from a full-time Factoring Assistant to supply far more resource than the Factoring Service has had in place previously. This goes hand in hand with our commitment to all Factoring customers to significantly improve our standards of service and we will achieve this through the following measures:

- ***We will be communicating with you far more often and seeking feedback on our quality of service.***
- ***We will be holding regular meetings with Factored owners and these will be held locally, at least once or twice each year***
- ***We will improve our billing process by providing more detail and transparency of your charges and supplying the accounts on a quarterly basis (from January 2026)***
- ***We will carry out an independent Customer Satisfaction Survey for all Factored Owners towards the end of 2025.***

These are just some of the new features you can expect from us as we look to improve and progress!

In order for these service improvements to be introduced and to deal with the historical undercharging of the factoring service previously, it will be necessary to

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increase the Management Fee for Factoring by 62%, effective from 1<sup>st</sup> October 2025. This does not bring any surplus into RCHA but does mean that the service operates without being cross-subsidised by our social housing tenants. This is something that we have sought advice on, from both the legal profession and the Scottish Housing Regulator.

**What this means in cost terms is that our fully factored clients will see an annual increase in their Management Fee from £156 to £253 and our Garden Maintenance Customers will have their annual charge for Management Fee go up from £32.56 to £52.72.**

While we fully appreciate that these increases are not small, it is imperative that we address the financial shortfall for Factoring now and ensure that the service can remain viable, sustainable and effective for the future.

**Retaining the Status Quo was not an option and this is the main driver behind these upcoming changes.**

We have undertaken analysis of other factoring services and the revised charges compare favourably to other providers in the market.

Another item to bring to everyone's attention in this communication is that the Building Insurance charges have gone up for 2025/26 and this will take the annual charge to £297.68 per year, representing an increase of just over a £1 per week (£53.88 per year) for each

property owner that is insured through us.

As is normal practice, we have trawled the marketplace using the services of Howdens Insurance Broker and this was the most competitive deal they could secure for RCHA. The Insurance Market, like so many others, is experiencing much upheaval currently, with a resulting increase in charges and often fewer providers in the market.

As always, if you have taken out or wish to take out your own Buildings Insurance to cover all aspects of your properties cover, including re-building costs – then please let us know and we will update our records and have you removed from the Howden's Insurance Schedule once you have provided us with a copy of the new policy document.

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I hope you find the information in this update useful, even though elements of it refer to an increase in some of our costs.

In closing I would like to take this opportunity to remind everyone that RCHA as your appointed Factor, can be replaced at any time if **a majority** of the owners for each property wish to appoint a new Factor.

To enable this, the main requirement is that you supply us with 3 months-notice to terminate the RCHA Factoring service. The detail for this is outlined in your Written Statement of Services which you should have received when

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you took over your property or when RCHA was appointed as Factor.

Please let us know if you require a copy of the Written Statement of Services and we will arrange this for you.

Our contact details are:

Email: [factoring@randcha.co.uk](mailto:factoring@randcha.co.uk)

Telephone: 0141 647 4917

By letter: To RCHA, 16 Farmeloa Road  
Rutherglen, Glasgow, G73 1DL

Regards

***Jim Falconer***

**Factoring Team  
Rutherglen & Cambuslang  
Housing Association.**

**August 2025**