

# **Sales Exclusion Policy**

**Version Number:** V4.0

**Effective From:** December 2024

**Applicable To:**

- Bernicia

**Associated Documents:**

The following resources support the Sales Exclusion policy and Bernicia colleagues to deliver fair and transparent decisions to maintain safe communities. These can be found in the policy folder on the intranet:

- Allocations Policy
- Shared Ownership Allocations Policy
- Shared Ownership Sales Policy

**Equality, Diversity & Inclusion:** An ED&I Assessment was completed in December 2024. Please contact the Governance team if you require a copy.

**Approved By:** Director, Development

**Policy Author:** Home Ownership Manager

**Policy Owner:** Director, Development

**Next Review:** December 2027

**Reference Number:** POL-0104

## 1. Policy Scope

The Sales Exclusion Policy operates to exclude sales to applicants who have forms of adverse credit history or have been involved in certain breaches of tenancy conditions, anti-social or criminal behaviour. It is the aim of Bernicia to contribute to the maintenance of safe, balanced and sustainable communities. This policy will be monitored by the Home Ownership Manager and all applications and sales documentation will be recorded internally.

## 2. Policy Standards

### Standard 1: Consent Form

As part of the sales application process, applicants will sign a declaration and informed consent form which authorises Bernicia to seek relevant references. Consent will also be requested from the applicant for referral to Bernicia's appointed Financial Advisor.

This document is not a blanket exclusion policy and each case will be assessed on its own merits. Any special circumstances of the applicant will be taken into consideration and discretion may be applied accordingly.

Applicants, will at the time of a decision being made, be advised of the reasons for suspension or exclusion of their application. Where applicable, applicants will also be advised of the requirements that need to be demonstrated before the applicant can be reconsidered.

### Standard 2: Criteria for Exclusion

When applying this policy Bernicia will assess levels of unacceptable behaviour when an applicant has a history of criminal, anti-social behaviour or other breaches of tenancy conditions. The test is to determine if the applicant's behaviour would have been serious enough for Bernicia to take enforcement action, if a social rented tenancy had already existed.

Bernicia will generally not process sales applications in cases where the following are factors:

- The applicant has provided false information in relation to their application, or has instigated a false statement from a person providing information in support of their application.
- The applicant has previously reserved a Bernicia shared ownership property but failed to complete the purchase, resulting in Bernicia incurring abortive costs. Bernicia may apply discretion if the purchase did not complete due to extenuating circumstances.
- The applicant has outstanding rent or mortgage arrears at their current address, or a former tenancy and an agreed repayment plan has not been maintained for a period of six months or more.
- The applicant wishes to purchase in cash due to an inability to obtain a mortgage from a non-high interest rate lender due to adverse credit.

**Uncontrolled if printed – This may not be the latest version of the policy  
All policies must be printed from the Intranet only – please make sure it is the  
latest version.**

- The applicant does not have a minimum of 10% net household income left available after housing related expenditure, committed expenditure and other essential costs. If the applicant is buying less than a 25% share, they must have a minimum of 20% net household income left available.
- The applicant or any other person included in the application has a recorded history of anti-social behaviour
- The applicant or any other person included in the application has caused wilful, intentional or deliberate damage to a current or previous rented property.
- The applicant, or any other person included in the application has a history of threatening or abusive behaviour towards neighbours, staff or contractors. The applicant or any other person included in the application or household has a criminal conviction, which would deem their application ineligible. Ineligibility relating to criminal convictions will be assessed/determined on the same basis as applicants for Bernicia rented properties, as per Bernicia's Allocations Policy. In applying this policy, a safer estates check may be undertaken in accordance with the Safer Estates Agreement which exists between the Police, Councils and Registered Social Landlords operating in local authority areas. This provides the mechanism of information exchange through nominated contracts to ensure confidentiality and consistency of application to the agreement.
- The applicant has a history of adverse credit in accordance with the below:

Missed mortgage/rent arrears	Bernicia's appointed Independent Financial Advisor will carry out an individual assessment and make a recommendation to us.
Unsecured arrears	Bernicia's appointed Independent Financial Advisor will carry out an individual assessment and make a recommendation to us.
County Court judgments or registered defaults	Applications will not be accepted if the applicant has any CCJs or defaults registered in the last 36 months. In addition, any historic defaults must be satisfied prior to the shared ownership application.  They may be acceptable in the following situations: <ul style="list-style-type: none"> <li>• All CCJs/defaults were registered more than three years ago and satisfied prior to shared ownership application.</li> <li>• All CCJs/defaults were satisfied more than 12 months prior to application regardless of date of registration.</li> </ul>
Debt Management Plans	Applications may be accepted where debt management plans have been settled for at least 12 months, with satisfactory credit record demonstrated since that time.
Individual voluntary arrangement (IVA) and	IVA/bankrupts who have been discharged over three years ago and who have no residual debt may be accepted subject to Individual Assessment carried out by Bernicia's Independent Financial Advisor.

discharged bankrupts	
Repossession of previously owned property	Applications will not be accepted.

Where an applicant has declared criminal convictions, each case will be based on its own merits and a safer estates check may also be undertaken in accordance with the Safer Estates Agreement between the Police and Bernicia. Bernicia will suspend but not exclude an applicant if criminal proceedings are pending, until the outcome has been confirmed. A decision will subsequently be made whether to accept or exclude. Whilst awaiting the final outcome this could mean that there are no longer properties left available for sale.

If the applicant is an existing social housing tenant, they will generally not be considered if:

- Current legal proceedings are underway against the tenancy including the service of a Notice of Seeking Possession.
- After inspection it is considered that their current property is in an unacceptable condition. The property should be in a condition deemed as fit to let immediately to a new tenant. This will include decoration, cleanliness, any identified rechargeable repairs or the external appearance of the property.

### Standard 3: Review

If it is found that the applicant has provided false information, or has instigated a false statement from a person providing information in support of their application, then appropriate action will be taken which may include their offer being withdrawn or steps to recover possession of the property.

There are no set time periods for ineligibility. Applicants must demonstrate that there are no further incidents of unacceptable behaviour, or that their circumstances have sufficiently changed to warrant further consideration. The applicant may be required to support this by supplying appropriate evidence.

If an applicant disagrees with the decision to exclude/suspend their application, they can request that the decision is reviewed. Third parties may make the appeal on behalf of the applicant and additional supporting information may be submitted. Bernicia will respond to any appeals within 14 days. Appeals will be reviewed by the Director, Development.

### Standard 4: Training and Awareness

Bernicia will ensure that all those involved exclusion of sales either directly or indirectly are provided with appropriate training in the application of this and the relevant supporting documents. All training and awareness raising activities will be logged.

**Uncontrolled if printed – This may not be the latest version of the policy  
All policies must be printed from the Intranet only – please make sure it is the  
latest version.**

### 3. Definitions

Word/Phrase	Definition
Shared Ownership	Homes England initiative offering new homes for sale on a part buy/part rent basis.

### 4. Change Control

Version Number	Effective Date	Amendment made by	Version approved by	Description of changes
V4.0	November 2025	Policy & Governance Advisor	Director, Development	Transferred policy to new template.