



All Party Parliamentary Group for the Private Rented Sector EGM and What should the PRS Ombudsman look like?

Tuesday 12th March 2024, 3:30pm
Meeting Room T, Portcullis House and via Teams

Attending in Person

Parliamentarians: Andrew Lewer MBE MP (Chair); Bob Blackman MP; Florence Eshalomi MP; Lord Best; Lord Carrington; Lord Cromwell; Paul Howell MP; and Richard Bacon MP

Parliamentary staff: Hadley Wells-West (Office of Andrew Lewer MP)

Secretariat: Abbie Sutcliffe (Consultant to the NRLA); and Ed Jacobs (Consultant to the NRLA)

Speakers: Chris Norris (Policy Director, NRLA); Conor O'Shea (Policy and Public Affairs Manager, Generation Rent); Rebecca March (The Property Ombudsman); Richard Blakeway (The Housing Ombudsman)

Others: Alison Whitcomb (Executive Assistant, The Property Ombudsman); Ian Fletcher (Director of Policy, Real Estate, BPF); Joe Waters (Public Affairs Manager, NHF); Paul Millar (Public Affairs and Parliamentary Officer, Housing Ombudsman Service); and Peter Habert (Director of Policy, The Property Ombudsman)

Attending via Teams

Others: Adam Bychawski (Reporter, OpenDemocracy); Avril Roberts (Property and Business Policy Adviser, CLA); Caitlin Colquhoun (Senior Policy Officer, Housing and Land, GLA); Chris Hicks (Senior Policy and Parliamentary Affairs Officer, Crisis); Harry Flanagan (Senior Legal Adviser, CLA); Kevin Williamson (Member of the Housing Ombudsman Advisory Board); Richard Grocott (Acquisitions and Public Affairs, Grainger); Robin Sillars (Head of Communications, PayProp UK); and Tim Thomas (Policy and Campaigns Officer, PropertyMark)

EGM

- In line with the new requirements for APPGs, the following were elected unanimously as officers of the Group:

Chair Andrew Lewer MBE MP

Vice Chairs Baroness Kennedy of Cradley
 Lloyd Russell-Moyle MP
 Richard Bacon MP

- The Group agreed to the National Residential Landlords Association continuing to provide the secretariat.



Developing a Private Rented Sector Ombudsman

Andrew Lewer MP, Chair of the APPG

- One of the least contentious parts of the Renters (Reform) Bill is the proposal to develop an Ombudsman for the PRS.
- He was in favour of the remit of the ombudsman for social housing (The Housing Ombudsman) being widened to include PRS landlords to ensure we do not end up having too many redress schemes in the housing sector.

Richard Blakeway, The Housing Ombudsman

- He and The Property Ombudsman agreed that giving private tenants access to redress through an alternative system to the courts was needed.
- It is important that the redress landscape be as uncluttered and uncomplicated as possible.
- The PRS Ombudsman should be agile and should not operate in isolation/a bubble – it should work in collaboration, and share information, with the courts and local authorities.
- Stated the gap in redress currently available relates to the landlord-tenant relationship.
- Highlighted that the policy landscape for social and private rented housing is converging, with the Decent Homes Standard and Awaab's Law both potentially being extended to the PRS and universal Government advice on damp and mould in properties.
- An Ombudsman is not a surrogate for a comprehensive complaints process provided by the landlord. The Ombudsman's key job will be to provide support to landlords in establishing this to achieve the earliest possible resolution to complaints. He added that he had sought to do this in the social housing sector with their complaints standards and a complaints handling code.
- Highlighted the scale of the challenge due to the size and diversity of the PRS. He noted that social housing is also diverse. Over half of his members have fewer than 100 homes. 16% of his members have fewer than five.
- Many Ombudsmen exist but tenants do not know where to turn to with what problems. The Housing Ombudsman service gets a call from tenants roughly every minute, but they cannot help 1 in 5 of them as they have come to the wrong place.
- A single 'front door' for tenants and a single back office would be beneficial.

Rebecca Marsh, The Property Ombudsman

- The Property Ombudsman already investigates landlords as part of its current process when investigating letting agents in order to identify who is responsible for a particular problem reported by a tenant, but they are unable to make decisions where landlords are responsible.
- The PRS Ombudsman must accept the substantial differences between the public and private rented sectors.
- The PRS is diverse, and many landlords are worried about being generalised. In some cases the power imbalance is shifting and some landlords are vulnerable.
- Important to be transparent about what the criteria is when establishing who the PRS Ombudsman will be, including value for money, and how these will be assessed when the Government makes the appointment.



- The commercial environment is very different to the social rented sector environment with respect to the levers available to help drive change.
- Important to ensure that tenants are able to easily go to the right place where they have a problem to get the best outcome.
- The PRS does not have a regulator as with the social rented sector and therefore an important aspect of TPO's work in letting agent redress is setting out comprehensive behaviour codes for letting agents. Creating these for landlords would be needed.

Conor O'Shea, Policy and Public Affairs Manager, Generation Rent

- There is currently confusion among tenants about redress. Having the same front door to signpost tenants to where to go and the same back office would mean if someone goes to the wrong place for redress it is not incumbent upon the tenant to then find the right place to go for help.
- For any of this to come into existence the Renters (Reform) Bill needs to pass. He noted that the Bill needs to get moving as quickly as possible to ensure these services become a reality and tenants can enjoy the benefits of the end of section 21 repossessions.

Chris Norris, Policy Director, NRLA

- The NRLA is very much in favour of a PRS Ombudsman.
- Most landlords are initially ambivalent to the introduction of an Ombudsman for the sector until they learn that it could help them to stave off complaints and avoid going to court.
- Landlords have legitimate concerns about the practicalities of an Ombudsman, including how much it will cost, and who it will be.
- The NRLA ran a small trial redress scheme with 8,000 landlords who voluntarily signed up. Very few tenants complained as it is difficult to get the message out to them about what services are available. Almost all of the calls were signposted elsewhere as they had gone to the wrong place as their complaint was related to a deposit so needed to be directed to a tenancy deposit scheme or was about severe malpractice and required enforcement action.
- Making sure tenants know where to go is almost as important as ensuring that the PRS Ombudsman works as it is supposed to. A single front door could potentially be one way of achieving this.
- The complexity of the market cannot be overlooked. It should be regarded as an immature market and that landlords will need lots of guidance on what their responsibilities are and what good complaints handling looks like.
- We should not just take the social housing/letting agent model and re-apply it to PRS landlords.

Rebecca Marsh

- The PRS Ombudsman would not be a regulator but would have a role to drive positive change in the sector.
- The Ombudsman will need to have different approaches in terms of communication and fee structures for sole traders compared to large businesses in the PRS which acknowledge the differences in resources they have.



- Part of the challenge is getting tenants to come forward with complaints due to fear of a section 21 notice and not being aware of what support is available.

Richard Blakeway

- It is a challenge and an experiment to extend redress at this scale at pace but one of the benefits of having The Housing Ombudsman service as the vehicle through which this happens would be the transparency and accountability to Parliament that would come with it.
- For example, The Housing Ombudsman is appointed following a hearing before the select committee. Their accounts are also audited by the National Audit Office

Lord Cromwell

- If there was one thing to come out of this it should be consolidation and clarification of redress across the housing sector.
- A major issue that still exists is that local authorities are not sufficiently resourced to enforce any new rules.
- Richard Blakeway and Lord Cromwell agreed that policy should head towards there being a single Ombudsman for housing.

Florence Eshalomi MP

- 90% of her casework is housing. Stated that a large cohort of tenants do not come forward as they do not know who to contact where they have a problem or concern. Noted that there is a fundamental issue with initial complaints handling by landlords.

Rebecca Marsh

- We need a vibrant and active sector and if we damage confidence in it too much then it will have a negative outcome for both tenants and landlords.

Conor O'Shea

- Whilst section 21 continues to exist private tenants will not have the power or the confidence to make complaints and that is why so many do not come forward.

Chris Norris

- We do not empower local authorities to react to complaints and that ensures that people do not have faith in complaints processes.
- The imbalance between demand and supply in the PRS means tenants do not have the agency or the power to hold landlords to account as they do not have anywhere else to go.

Lord Carrington

- What work is being done to ensure the Ombudsman is sufficiently resourced and who will pay?



Lord Best

- Noted the complexity of the redress landscape and said that we must address this problem.
- Must have the abolition of section 21 evictions alongside the Ombudsman, otherwise tenants will not feel secure enough to come forward with complaints.

Tim Thomas, Policy and Campaigns Officer, PropertyMark

- There may be an issue of duplication for landlords who are part of managed lets where there is already a redress scheme for letting agents.

Richard Blakeway

- The Housing Ombudsman has done preparatory work funded by DLUHC to look into how the PRS Ombudsman could work and how it should be funded. There are several different models that will need to be consulted on. A large scale operation would help drive efficiency.

Rebecca Marsh

- The Property Ombudsman is a small not-for profit organisation with 25% of the staff compared to The Housing Ombudsman yet they deal with about the same number of complaints by maximising efficiency.
- TPO already has the structures in place and looks at private landlords in their day-to-day case work.