

# Renters Rights Bill - Written Evidence

# House of Commons, Committee Stage

23 October 2024

# Introduction

- 1. JUSTICE is a cross-party law reform and human rights organisation working to make the justice system fairer for all. Our vision is of fair, accessible, and efficient legal processes in which the individual's rights are protected and which reflect the country's international reputation for upholding and promoting the rule of law.
- 2. This briefing addresses the Renters Rights Bill ("the Bill") in advance of its Committee Stage in the House of Commons and responds to the 'Renters' Rights Bill: Call For Evidence'. In doing so, we draw references from our 2020 report, 'Solving Housing Disputes', which recommended practical solutions to address the disaggregated housing dispute landscape, and to increase the provision of information to tenants about their rights and obligations.

# Support for Measures Contained in the Bill

3. Reform to the private rented sector ("PRS") is long overdue. Thousands of tenants across the country face constant risk of eviction<sup>3</sup> and are trapped in unsafe, low-standard housing.<sup>4</sup> Over a 6 month period in 2024, 61% of private renters experienced problems with the standard of housing.<sup>5</sup> With this in mind, and considering key recommendations contained within our Solving Housing Disputes report,<sup>6</sup> JUSTICE strongly supports the following measures in the Bill which help address these issues:

<sup>&</sup>lt;sup>1</sup> MHCLG, 'Renters' Rights Bill: call for evidence', 14 October 2024.

<sup>&</sup>lt;sup>2</sup> JUSTICE. 'Solvina Housina Disputes' (2020).

<sup>&</sup>lt;sup>3</sup> Shelter, '<u>Every seven minutes a private renter is served a no-fault eviction notice despite government promise to scrap them three years ago', 26 April 2022.</u>

<sup>&</sup>lt;sup>4</sup> Department for Housing, Levelling Up and Communities, '<u>The English Housing Survey</u>', Chapter 4 estimated that in 2022, 21% of PRS homes did not meet the Decent Home Standard – around 1 million homes. This compares with 14% of owner-occupied and 10% of social-rented homes.

<sup>&</sup>lt;sup>5</sup>TDS Foundation, 'Empowering Tenants to Make Best Use of Renters' Rights Bill', 2024.

<sup>&</sup>lt;sup>6</sup> JUSTICE, *Solving Housing Disputes* (2020).

- a) the immediate abolition of s.21 "no fault" evictions (Clause 2) which will significantly reduce the number of unfair evictions. Contrary to concerns previously raised, we do not consider that it will have an adverse impact on court capacity.<sup>7</sup>
- b) the extension of notice periods for possession cases (Clause 4),
- c) a Decent Homes Standard for the Private Rented Sector (Clause 98); and
- d) prohibitions on landlords discriminating against tenants who receive benefits and/or have children (Clause 32-33).
- 4. We also support the creation of a Landlord Redress Scheme for the PRS (Clause 62) in principle, but stress that steps must be taken to consolidate existing routes to redress. If the Bill is to achieve its aims of increasing protections for tenants in the PRS, it is crucial that it simplifies the process by which a tenant can access support and advice. Research conducted by JUSTICE and the TDS show that tenants do not know where to go, or who to speak to get help for their housing issues. This is in the context of severe housing legal advice deserts, where 43.6% of the population in England and Wales do not have a local housing legal aid provider<sup>8</sup> and are faced by a disaggregated regulatory system. There are multiple bodies that share responsibility for enforcing standards across the housing landscape, to include the Property Tribunal, County Courts, Local authorities, licensing authorities, tenancy dispute schemes and Ombuds.<sup>9</sup> For this reason, we recommend the creation of a "one stop shop" portal or doorway, through which a tenant can access the appropriate redress scheme or dispute resolution mechanism and signposting to additional advice and support. In particular, we highlight the work currently being undertaken by the Tenancy Deposit Scheme with regard to its "My Housing Issue" Gateway, 11 as a starting point for moving towards this.
- 5. However, rights on paper mean little without proper enforcement. Whilst we are pleased to see provisions to create a Private Rented Sector Database (Clause 73) to increase the transparency and accountability of landlords, it is essential that the Database is introduced and made accessible

<sup>&</sup>lt;sup>7</sup> In fact, we consider that the abolition of s.2 will lead to fewer evictions, and therefore fewer cases in the court queue, by targeting rogue landlords who do not otherwise have reasonable grounds to evict using the grounds provided for by Schedule 2 of the Housing Act. According to government data, the current volume of no fault evictions proceeding through court which are currently at their highest level since 2017. See Department for Levelling Up, Housing and Communities, '<u>Live Tables on Homelessness</u>', updated 30 April 2024.

<sup>&</sup>lt;sup>8</sup>The Law Society, 'Houisng – legal aid deserts', Feb 2024.

<sup>&</sup>lt;sup>9</sup> See: Diagram 1 on Page 2 of TDS Charitable Foundation, 'My Housing Issue Gateway Service' Pamphlet, February 2024.

<sup>&</sup>lt;sup>10</sup> JUSTICE, Solving Housing Disputes (2020), Page 98.

<sup>&</sup>lt;sup>11</sup> See: TDS Charitable Foundation, 'My Housing Issue Gateway', January 2024.

to tenants at the earliest opportunity. It is also crucial that the information provided on the Database includes information to help tenants understand their rights and legal entitlements.

# **Room for Improvement**

#### Private Landlord Redress Scheme

- 6. Clause 62(1) of the Bill states that the Secretary of State may, by way of regulation require all prospective, current and former private landlords to register to a new Private Rented Sector Landlord Ombudsman. Failure to do so will result in financial penalties under Clause 64. Tenants will be able to raise complaints against landlords for free. Decisions from the Ombudsman will be binding, and outcomes will include compelling landlords to issue apologies, provide information, take remedial action or pay compensation.<sup>12</sup>
- 7. JUSTICE is pleased that the current gap in redress schemes for the PRS is being addressed. The creation of a redress scheme brings the PRS in line with the social housing sector which has had a redress scheme since 1996. Currently, only letting and managing agents within the PRS are required to belong to a Government approved redress scheme, e.g., via the Property Ombudsman or the Property Redress Scheme. Whilst private landlords can voluntarily register with these schemes, only around 80 90 landlords out of the 2.3 million in the private rented sector have done so. 14 This has led to inconsistent provision and patchwork protection for tenants in the PRS.

## Compelling a landlord to join the redress scheme

8. As currently drafted the Bill gives the Secretary of State discretion as to whether to make regulations to require residential landlords to be a member of the redress scheme. There is also discretion as to whether those regulations require a landlord to be a member of a redress scheme before their property is marketed. Given the importance of resolving the redress gap and ensuring equal access to justice and redress for all tenants – whether or not they are private or social housing renters, we urge the Committee to strengthen the provisions at clause 62 by placing an obligation on the Secretary of State to make regulations to require residential landlords to be a member of a redress scheme.

<sup>12</sup> Clause 63(3)(j)

<sup>&</sup>lt;sup>13</sup> Housing Act 1996, Section 51 and Schedule 2 which mandated the Housing Ombudsman Service.

<sup>&</sup>lt;sup>14</sup>This data is an estimate based on data directly provided to DLUHC by the Property Ombudsman and the Property Redress Scheme, as well: Housing Ombudsman Annual Report and Accounts 2020/21.

<sup>15</sup> Clause 62(1)

<sup>&</sup>lt;sup>16</sup> Clause 62(4)

Therefore, we urge the Bill Committee to amend the Bill as follows:

Clause 62(1), page 89, line 25, after "Secretary of State" delete "may" and insert: "must"

Clause 62(4), page 90, line 7, after "subsection (1)" delete "may" and insert: "must"

Clause 62(4), page 90, line 15, delete "(c)" and insert

"(5) Regulations under subsection (1) may"

# The need to address the disaggregated housing dispute landscape

- 9. Whilst welcoming a PRS redress scheme, JUSTICE is concerned that the creation of a new standalone Ombudsman for the PRS may exacerbate an already incoherent and disaggregated redress landscape unless action is taken to create a unified entry point and consolidate existing redress provision. For example, our report and research by the TDS found that tenants across both the private and social housing sectors did not know where to turn or who to approach for assistance, given the myriad of schemes and organisations relevant to resolving housing disputes.<sup>17</sup> This includes the Housing Ombudsman, the Local Government and Social Care Ombudsmen, the Property Ombudsman, the Property Redress Scheme, the Tenancy Deposit Scheme, the Deposit Protection Scheme, and MyDeposits. The bifurcation of housing disputes between courts and tribunals also continues to cause confusion, particularly where there is crosstenure between the County Court and the First-tierTribunal (Property Chamber).
- 10. The Government has stated its longer-term intention is to "move toward a streamlined cross-tenure redress service," with the Housing Ombudsman the likely candidate to deliver the new PRS Redress Scheme. We support the intention to move towards a streamlined redress service. We emphasise the recommendations made previously within our report that the Government must introduce a unified, single-entry point or "portal" for all tenants seeking redress within the housing sector.
- 11. In this regard we wish to draw committee members' attention to the TDS' 'My Housing Issue Gateway' which is piloting a tailored signposting and information portal that helps social and private tenants find clear paths to finding appropriate redress forums and legal support. Furthermore, we would like to see such a gateway expanded to provide access to not only all redress schemes but also to tribunals and the courts as well as dispute resolution services

<sup>&</sup>lt;sup>17</sup>TDS Charitable Foundation, 'My Housing Issue Gateway Service' Pamphlet 2024, Page 2.

<sup>&</sup>lt;sup>18</sup> Hansard, 'Renters Rights Bill Volume 754: debated on Wednesday 9 October 2024', Matthew Pennycook MP at Column 414.

including mediation and conciliation.<sup>19</sup>The single-entry point should also facilitate individuals to obtain help to deal with related/ancillary matters and problems that often contribute to housing disputes such as debt and difficulties accessing welfare benefits.

12. In the immediate term, Clause 63(8)(a) provides that the Secretary of State may make further provision, via regulations, about the number of redress schemes that may be approved or designated. This implies that more than one PRS redress scheme may be in operation at any one time. In our view, this would cause additional confusion and difficulties for tenants seeking redress. To ensure that the creation of a new PRS Redress Scheme does not compound confusion by perpetuating the disaggregation of redress pathways, the Bill should make clear that only one redress scheme should be nominated or designated at any one time.

Therefore, we urge the Bill Committee to amend the Bill as follows:

Clause 62, page 90, line 6, insert -

"(4) The Secretary of State may only approve or designate one redress scheme under clause 62(2)(b) at any one time"

Clause 63(8)(a), page 92, lines 32-33, delete: "about the number of redress schemes that may be approved or designated (which may be one or more)"

## Conditions for the approval or designation of the Landlord Redress Scheme

- 13. Clause 63(3) lists a number of conditions which must be satisfied before a redress scheme is approved or designated by the Secretary of State. In our view, it is important to also ensure that the scheme caters for those who are digitally excluded and those who require advice and support to enable them to seek redress.
- 14. Between 15-20% of UK citizens and households are affected by limited digital access, with 16% of adults lacking foundational digital skills and 8% struggling to afford broadband.<sup>20</sup> Therefore, it is imperative the new Private Landlord Redress Scheme is fully accessible to those who are digitally excluded, who often are some of the most vulnerable within our society. A provision should be inserted to ensure that the new scheme facilitates digitally excluded landlords and tenants to engage with the system.

Therefore, we urge the Bill Committee to amend the Bill as follows:

<sup>&</sup>lt;sup>19</sup> JUSTICE, Solving Housing Disputes (2020), Page 70-80.

<sup>&</sup>lt;sup>20</sup> Good Things Foundation, 'Digital inclusion What the main UK datasets tell us'. September 2024.

At clause 63(3), page 92, after line 14, insert:

"(q) for the provision of facilities for persons who are unable to use a computer or other electronic device, or do not wish to do so, to engage with the redress scheme."

15. In addition, the spirit of the Private Rented Sector Landlord Ombudsman is to help tenants know where to go to seek help and obtain a resolution with their landlord.<sup>21</sup> In order to fully achieve this, JUSTICE recommends that the conditions that must be satisfied before the Secretary of State can approve a scheme under clause 63, should include the requirement for the scheme to provide signposting to advice and support. This includes advice and signposting for tenants seeking support with debt, welfare and employment issues – which are an example of several clustered legal issues commonly present with regard to housing disputes.<sup>22</sup>

Therefore, we urge the Bill Committee to amend the Bill as follows:

At clause 63(3), page 92, after line 14, insert:

"(r) for the provision of such support as the Secretary of State considers to be appropriate and proportionate for tenants experiencing related problems relating to employment, debt and welfare,"

#### **Private Rented Sector Database**

- 16. Clause 73 94 of the Bill make provision for the creation of a Private Sector Database ("the Database") which is mandatory for all prospective and current private landlords to register with. It is intended that the Database will replace functions of the existing Database of Rogue Landlords and Property Agents.<sup>23</sup>
- 17. Clause 84 makes provision for the Secretary of State to make regulations setting out who can access the Database, the types of information that is accessible to different parties e.g., local authorities versus the public, and to sets out the procedures for notifying landlords of the information to be published therein. Sub-section (1)(a) indicates that regulations *may* require the operator to make certain information contained in active entries, and in entries related to penalties, convictions or regulatory action, available to the public.

<sup>&</sup>lt;sup>21</sup> MHCLG, 'Guide to the Renters' Rights Bill', 26 September 2024.

<sup>&</sup>lt;sup>22</sup>This is something our 'Solving Housing Disputes' report in 2020 identified at Page 53.

<sup>&</sup>lt;sup>23</sup> MHCLG, 'Renters Rights Bill Explanatory Notes' (11 September 2024), at Note 464.

#### **Timeframe**

- 18. JUSTICE recognises the vital impact that the Database can have on driving up standards and increasing accountability and safety within the PRS. There should be no delay in it coming into force and for that reason, we recommend that provision should be made on the face of the Bill to ensure this.
- 19. At present, the Bill provides no timeframe specifying when the Database will become operational.

  Therefore, we urge the Committee to amend the Bill as follows:

At clause 73, page 99, at line 5, after "operate" and before "a database", insert:

"within one year of the Act coming into force"

## **Rent Repayment Orders**

- 20. The inclusion of data pertaining to enforcement action taken against landlords is an important step in increasing accountability, transparency and confidence within the PRS. Clause 73(1)(c)(i)-(ii) of the Bill explicitly states that the Database will include information about landlord banning orders, and relevant offences or convictions that the landlord has been subject to including those that relate to regulatory breaches under the Bill. Similarly, Clause 81 sets out the arrangements for local housing authorities to enter such information into the Database. However, JUSTICE considers that it should also explicitly require information about rent repayment orders, which are orders to repay rent after a landlord commits an offence,<sup>24</sup> to be published on the Database. This is in line with provisions made elsewhere in the Bill, to extend the use of rent repayment orders<sup>25</sup> and increase their "deterrent effect".<sup>26</sup>
- 21. We urge the Committee to amend the Bill as follows, to ensure information about rent repayment orders is included in the Database, and to ensure that local housing authorities are required to input information about such orders into the Database:

Clause 73(1), page 99, line 11, insert:

"(ii) persons whom relevant rent repayment orders have been made"

<sup>&</sup>lt;sup>24</sup> As set out in Housing and Planning Act 2016 Chapter 4.

<sup>&</sup>lt;sup>25</sup> Clause 96

<sup>&</sup>lt;sup>26</sup> See, Ministry of Housing, Communities and Local Government, 'Explanatory Notes', updated 26 September 2024., page 101, para 623.

Clause 81(1), page 103, line 23, insert:

"(b) a relevant rent repayment order has been made against the person following an application by the authority"

At clause 81(2), page 103, line 36, delete "authority." and insert:

"authority, or"

"(c) the person has had imposed on them a relevant rent repayment order following the institution of civil proceedings by a person other than a local housing authority."

At clause 81(12), page 105, line 24, insert:

""relevant rent repayment order" means a rent repayment order (as defined in Chapter 4 of the Housing and Planning Act 2016) made –

- (a) On or after the day on which this section comes into force,
- (b) At a time when the person who committed the offence was -
  - (i) A residential landlord, or
  - (ii) marketing a dwelling for the purpose of creating a residential tenancy"

## Preventing digital exclusion

- 22. JUSTICE is pleased to see provision within clause 83(1)(a) to require the database operator to ensure that facilities are available for persons who are unable to use a computer or other electronic device, or do not wish to do so, to make and maintain landlord and dwelling entries in the database.
- 23. However, we consider that similar requirements should exist to ensure that members of the public who are unable to use a computer or electronic device are not prevented from accessing or viewing the Database and/or prevented from notifying the database operator of potential breaches, as per clause 83(1)(c).

Therefore, we call upon the Committee to make the following amendments:

At clause 83, page 106, line 8, after "database operator" and before "and" insert:

", including by means not requiring access to a computer or electronic device"

At clause 83, page 106, after line 12, insert:

"(e) ensure that facilities are available for persons who are unable to use a computer or other electronic device, or do not wish to do so, to access the Database."

# Providing Guidance for landlords and tenants and signposting to support

- 24. We are pleased to see provision within clause 83(1)(d) requiring the database operator to publish advice and information explaining to residential landlords and residential tenants their rights and obligations in respect of the Database. However, we consider that the type of information supplied via the Database should be expanded to provide information to landlords and tenants via their housing rights and obligations, generally. This is to ensure that the Database can adequately achieve its objective of becoming a "one stop shop" for tenants and landlords, as envisaged by the Government<sup>27</sup> and recommended in our Solving Housing Disputes report.<sup>28</sup>
- 25. In particular, the information provided to tenants and landlords via the Database should include relevant, accessible information setting out the rights and responsibilities of landlords and tenants, in an appropriate format. This includes information about the Decent Homes Standard, which we understand the Government is committed to increasing knowledge of.<sup>29</sup> This is especially important given TDS' finding that within a six-month period, 61% of private renters experienced problems with the quality of their housing.<sup>30</sup> Doing so will help improve knowledge and understanding across the sector education upstream can mitigate poor practices and the need for enforcement further downstream.
- 26. The Government should consult with industry experts and design specialists to ensure that information provided on the Database is fit for purpose and tailored to the needs of tenants. This is to avoid previous shortfalls in Government guidance. For example, research conducted by the TDS show that the Government's "How to Rent Guide" is not accessible: only four in ten tenants recall receiving the guide.<sup>31</sup>

Therefore, we urge the Bill Committee to amend the Bill as follows:

<sup>&</sup>lt;sup>27</sup> Ministry of Housing, Communities and Local Government, 'Guide to the Renters Rights Bill', updated 26 September 2024.

<sup>&</sup>lt;sup>28</sup> JUSTICE, *Solving Housing Disputes*, (2020).

<sup>&</sup>lt;sup>29</sup> Ministry of Housing, Communities and Local Government, 'Guide to the Renters Rights Bill', updated 26 September 2024.

<sup>&</sup>lt;sup>30</sup>TDS Charitable Foundation, 'Empowering Tenants to Make Best Use of Renters' Rights Bill', (2024), p.2

<sup>&</sup>lt;sup>31</sup>TDS Charitable Foundation, 'Empowering Tenants to Make Best Use of Renters' Rights Bill', (2024), p.2

At clause 83, page 106, line 12, after "their" and before "rights," insert:

"housing"

At clause 83, page 106, line 12, after "under this Chapter" insert:

"and in respect of the Decent Homes Standard and housing disrepair."

# **Preventing Misuse of Mandatory Possession Grounds**

27. The Bill prevents landlords from relying on Ground 1 (occupation by landlord)<sup>32</sup> or Ground 1A (sale)<sup>33</sup> possession grounds, then relisting the property for rent within 12 months.<sup>34</sup> The Database should therefore record when a landlord has relied on these possession grounds, to make it easier for enforcement action to be taken.

Therefore, we urge the Bill Committee to amend the Bill as follows:

At clause 81, page 104, line 27, insert

"(8) The Secretary of State may by regulations authorise or require local housing authorities to make an entry in the database in respect of a person –

- (a) who has relied on Ground 1 or Ground 1A of Schedule 2 of the Housing Act 1988 to possess a residential property and,
- (b) who was a residential landlord at the time of the possession."
- 28. We are additionally concerned about the lack of information local authorities will possess to effectively enforce the prohibition of re-letting after the use of these possession grounds. We therefore strongly recommend that the regulations set out by the Secretary of State through Clause 76(2)(a) of the Bill include a provision mandating landlords to update the database when they action possession under these grounds.

# Public access to enforcement information

<sup>&</sup>lt;sup>32</sup> Schedule 2 of the Housing Act 1988 (e.g. because the landlord needs the property for their principal home for themselves or their family).

<sup>&</sup>lt;sup>33</sup> Paragraph 3 Schedule 1 of this Bill creates a new mandatory possession ground for when a landlord intends to sell a freehold or leasehold interest in the dwelling-house, or to grant a long lease over 21 years of the dwelling house, and that the tenancy began at least one year before the possession.

29. At present, clause 84 provides that the Secretary of State *may* introduce regulations to set out which information on the Database should be made available to the public and in particular, which information provided for in clause 81 (enforcement data). For tenants to be able to exercise their right of choice and to be protected, it is vital that they have access to information about housing-related enforcement action taken against a landlord. It is also befitting to the principles of open justice and transparency, that information pertaining to enforcement action against landlords', including relevant convictions, is publicised and accessible to the public. We do not foresee this conflicting with any privacy rights of the landlord, given that applications for landlord banning orders are available to the public.<sup>35</sup> Given the importance of transparency, we recommend that specific provision be made on the face of the Bill to guarantee tenants' access to enforcement data, including information that would currently be contained in the Database of Rogue Landlords and Property Agents.

Therefore, we urge the Committee to amend the Bill as follows:

At clause 84, page 106, at line 26, delete "may" and insert:

"must"

At clause 84, page 106, at lines 28 and 29, delete:

", and in entries made in the database under section 81, which the database operator is to make available to the public,"

and insert:

"which the database operator is to make available to the public, to include entries made in the database under section 81,"

#### Restriction on Gaining Possession without registering on Database

30. Clause 80 prohibits landlords from listing a property for rent unless they and the respective property are listed on the Database, and Clause 88 prohibits a court from granting possession where a landlord has not registered on the Database. Failure to comply can result in a financial penalty under Clause 89.

<sup>&</sup>lt;sup>35</sup> Applications to the First-tierTribunal (Property Chamber) are often held in public and published. Appeals from that division to the UpperTribunal (Lands Chamber), including rent repayment orders, <u>are frequently published.</u>

31. As currently drafted, the Bill provides that a court will be unable to grant possession where a landlord has not registered on the PRS Database, unless one of the ASB possession grounds is used. We consider that there should be no exceptions to the ban on landlords obtaining possession where they have not registered on the PRS Database. The purpose of the Database is to increase the accountability of landlords and mitigate against unfair evictions – this should be true regardless of which ground for possession is relied upon. Carving out an exception for ASB (and not other grounds such Ground 14A<sup>37</sup> which pertains to domestic abuse) is confusing and inconsistent with the approach of the Bill.

Therefore, we urge the Bill Committee to amend the Bill as follows:

At clause 88, page 109, line 22, delete:

", unless the ground for possession is Ground 7A in Part 1 of Schedule 2 to this Act or Ground 14 in Part 2 of that Schedule."

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<sup>&</sup>lt;sup>36</sup> Ground 7A or Ground 14 of the Housing Act 1988.

<sup>&</sup>lt;sup>37</sup> Housing Act 1988, Schedule 2.