

Renters' Rights Bill Public Bill Committee

Written evidence submitted by the TDS Charitable Foundation

1.0 About the TDS Charitable Foundation

- 1.1 The TDS Charitable Foundation works to improve standards in the private rented sector by advancing education about housing rights and obligations, commissioning research and encouraging the use of alternative dispute resolution for more efficient and effective resolution of disputes between landlords and tenants.
- 1.2 It is funded mainly by donations from The Dispute Service, the leading Tenancy Deposit Scheme which operates on a non-profit basis across the UK.
- 1.3 This submission draws heavily on findings from the TDS Charitable Foundation's latest 'Voice of the Tenant'¹ and 'Voice of the Landlord'² surveys. These national, representative surveys, conducted regularly, examine the experiences of tenants and landlords in the English private rented sector. Each survey wave engages with over 2000 tenants/landlords.
- 1.4 The submission also incorporates findings from the 2019-2022 "Raising Standards in the UK Private Rented Sector" research programme.³ This three-year initiative was jointly funded with SafeDeposits Charitable Trust and led by the UK Collaborative Centre for Housing Evidence (CaCHE).

2.0 Executive Summary

- 2.1 The TDS Charitable Foundation welcomes the introduction of the Renters' Rights Bill and the Government's commitment to improving the private rented sector.
- 2.2 Our research suggests that five key factors are critical to ensuring the success of this reform in raising standards in the sector.
- 2.3 First, to ensure the removal of Section 21 is effective in improving standards, it is essential to provide better information and signposting for tenants, enabling them to make complaints where necessary. There is a misconception that removing Section 21 will automatically empower tenants to challenge poor practices or unfair rent increases. Our research shows that half of private renters do not know where to turn if their landlord or letting agent fails to address a problem. A public education campaign, along with endorsement of the TDS Charitable Foundation's *My Housing Issue Gateway*, can help empower tenants and ensure the reform's success.
- 2.4 Second, learning from the landlord registration schemes in the devolved nations suggests that for the new Property Database to be successful, it must have clear aims and purpose,

¹ TDS Charitable Foundation (June 2024), *Living in the Private Rented Sector in 2024 The Voice of the Tenant Survey Wave 4*. Available [here](#).

² TDS Charitable Foundation (August 2024), *Letting in the Private Rented Sector in 2024 The Voice of the Landlord Survey Wave 1*. Available [here](#).

³ This research initiative resulted in several research reports. Available [here](#).

make use of Unique Property Reference Numbers to check compliance, and require landlords to upload relevant documents, including the deposit protection certificate.

- 2.5 Third, the Government should clarify where responsibility lies for ensuring that landlords are properly educated on their new obligations before the Property Database becomes fully operational (which is likely to be after the new regulations are introduced). Properly funded educational activities delivered by councils should be complemented by a coordinated information and communication campaign that engages with organisations already providing information to landlords.
- 2.6 Fourth, the Government should consider survey data indicating that more landlords are leaving the affordable part of the private rented sector and assess how landlord confidence can be maintained. It should explore whether ADR (alternative dispute resolution) could play a role in processing possession claims based on the new mandatory grounds for possession, where the evidence threshold is met.
- 2.7 Finally, it is crucial to ensure that the introduction of the new landlord ombudsman does not add to the existing complexity tenants face when resolving housing issues. The Government should consider whether the new ombudsman could be incorporated into the current redress landscape within the private rented sector while working towards a “single front door” model, building on the TDS Charitable Foundation’s *My Housing Issue Gateway*.

3.0 Ensuring the removal of Section 21 is effective in improving standards

- 3.1 Our tenant survey revealed that a significant number of tenants feel insecure within the private rented sector. Overall, 42% of tenants reported worrying that they could be asked to leave their homes at any time, while only 51% felt secure from eviction.
- 3.2 An earlier iteration of the tenant survey found that nearly two-thirds (60%) of tenants agreed that the removal of Section 21 would impart a sense of stability and security in their property.⁴
- 3.3 **It is clear that there is widespread insecurity among tenants in the sector, and that the removal of Section 21 will play an important role in addressing this.**
- 3.4 However, there is a misconception that the removal of Section 21 alone will empower tenants to report housing issues, challenge poor practices, or contest unfair rent increases, and thus automatically drive-up standards in the sector.
- 3.5 Our latest survey found that, in the six months leading up to March 2024, nearly two-thirds (60%) of tenants experienced a problem with the condition of their property. When these issues were not resolved, very few (20%) escalated their complaints to a local authority or another redress scheme.

⁴ TDS Charitable Foundation (December 2023), *Living in the Private Rented Sector in 2023 The Voice of the Tenant Survey Wave 3*. Available [here](#).

- 3.6 While the main barriers to making complaints were fears of retaliatory evictions (24%) or rent increases (24%), we also found that 50% of tenants did not know where to turn if their landlord or letting agent failed to address a problem.⁵
- 3.7 This means that even if renters feel more empowered and secure following the removal of Section 21, many would still be unsure of where to go to make a complaint.
- 3.8 **Existing guidance is not working as it should.** Tenants are currently informed of their rights through the Government’s ‘How to Rent’ guide, which landlords or letting agents are legally required to provide at the start of each tenancy. However, this 19-page document is largely inaccessible, and our data suggests that less than four in ten (39%) tenants recall receiving the guide.
- 3.9 Citizens Advice has highlighted the inaccessibility of basic information about tenants’ rights to repairs, leading to a low uptake of existing redress processes. This leaves some tenants living with disrepair, paying for repairs that are their landlord’s responsibility, or risking eviction.⁶
- 3.10 Five years after similar reforms were introduced in Scotland’s private rented sector, a new report found that although rents are becoming increasingly expensive, less than 1% of tenants had used the new powers to formally challenge unfair rent increases.⁷ This indicates that tenants are either unaware of or unable to access the process.
- 3.11 It is essential that the same mistake is not made in England.
- 3.12 Without easier access to information about where renters can go for help, the measures in the Bill to improve standards will be ineffective. For instance, tenants may not know how to seek assistance if their property fails to meet the proposed Decent Homes Standard or if they wish to challenge a rent increase.
- 3.13 **We are therefore calling for a public education campaign to accompany the Royal Assent of the Bill, ensuring that tenants are aware of their new rights and know how to exercise them.**
- 3.14 **Additionally, we are calling on the Government to endorse and support the promotion of the *My Housing Issue Gateway*, to ensure the Bill achieves its goals of empowering tenants and improving standards in the PRS.** The gateway will serve as a signposting and diagnostic tool to help tenants make complaints when necessary (see item 7.14 for full description).

4.0 Making the new Property Database a success

- 4.1 The TDS Charitable Foundation fully supports the introduction of the Landlord Database. National systems of registration and licensing can be powerful tools for developing and sharing knowledge about the sector, as well as for upskilling and educating landlords.

⁵ TDS Charitable Foundation (2024), Resolving Housing Issues. Available [here](#).

⁶ Citizens Advice (2017), It’s broke, let’s fix it. Available [here](#).

⁷ Indigo House & Nationwide Foundation (2024), *Rent Better – Research on the impact of changes to the private rented sector tenancy regime in Scotland, final report*. Available [here](#).

- 4.2 The requirement for all landlords to be registered already exists in Scotland, Wales, and Northern Ireland. Our research explored how these schemes have been operating and identified some the key issues that have emerged so far.⁸
- 4.3 In Scotland, there is an ongoing debate about the goals of the landlord registration scheme and how its effectiveness can be measured. One of its main purposes was to create a way to proactively communicate with the sector. However, many local authorities do not use it effectively for that purpose. In Northern Ireland, data-sharing restrictions have significantly limited the usefulness of the national registration scheme as a means of communicating with the sector at the local level.
- 4.4 This research suggests that it is important for the Property Database to have clear aims and purposes. Lessons learned from the devolved nations indicate it should focus on: (i) preventing criminal landlords from operating in the sector, and (ii) reducing inadvertent non-compliance by educating ill-informed landlords.**
- 4.5 Across all the devolved nations, there are gaps in the registration schemes, with a significant number of landlords failing to register. In Scotland, the registration scheme has largely operated as a self-certification exercise. Evaluations of the schemes in Scotland and Wales indicate that there has been limited formal enforcement activity, which has, in turn, limited the schemes' impact on improving property standards.
- 4.6 Without proper enforcement or sufficient checks on the information being entered, the Database could be vulnerable to misuse, may not be trusted by either landlords or tenants and its role in enabling councils to tackle criminal landlords limited.
- 4.7 We suggest that the Property Database utilises Unique Property Reference Numbers (UPRNs) to verify entries.** UPRNs can facilitate, through the use of Application Programming Interfaces (APIs), the automatic verification of uploaded documents, such as Gas Safe Reports, Electrical Installation Reports, Energy Performance Certificates, and Deposit Protection Certificates.
- 4.8 According to the 2022/23 English Housing Survey, 6% of private renting households reported that their deposit was not protected, while a further 13% did not know whether their deposit was protected.⁹
- 4.9 We recommend that the Database require landlords to submit information on deposit protection, such as the Deposit Protection Certificate. This is likely to improve compliance with deposit protection requirements.**
- 5.0 Clarifying how landlords will be properly educated on their new obligations**
- 5.1 While the new Property Database can play a key role in educating landlords, it is likely to become operational after the new regulations are already in place. There is also the question of how smaller landlords, in particular, will become aware of the database in the first place.

⁸ Harris, J., Cowan, D. and Marsh, A. (2020) Improving compliance and enforcement in the private rented sector. (CaCHE) Available [here](#).

⁹ MHCLG (2024) English Housing Survey 2022 to 2023: rented sectors. Available [here](#).

- 5.2 Our survey shows that eight in ten landlords have small portfolios of up to four properties, with a significant proportion (43%) owning only one property.¹⁰ Most of these landlords rent out properties alongside other forms of employment.
- 5.3 In our survey, two-thirds of landlords reported difficulty keeping up with changes to laws and regulations affecting their rental properties. The MHCLG English Private Landlord Survey found that landlords with only one property are the most likely to be non-compliant.¹¹ In other research, councils identified inadvertent non-compliance among small landlords as one of the main challenges they faced.¹²
- 5.4 The Bill, as it currently stands, does not specify how adequate information and education will be provided to ensure that landlords can comply with their new obligations. The Government should clarify where responsibility will lie for ensuring that landlords are properly educated on their new and changing requirements before the Property Database becomes fully operational.**
- 5.5 Council enforcement activities can be either formal or informal. Formal actions include serving statutory notices or issuing civil penalties, while informal activities involve providing advice, information and training (e.g., via accreditation schemes, newsletters, or landlord forums). Our research shows that councils regulate the sector most effectively when they strike a balance between these two approaches.¹³
- 5.6 Our research highlights significant variation in local authority approaches to regulating the sector.¹⁴ Not all councils are actively involved in regulating their private rented sectors. Resources are a key limitation to both formal and informal council activities, covering not only funding but also the availability of staff with the necessary skills. Strengthening local authorities' roles, capacity, and skill development must be a key focus of the Renters' Rights Bill.
- 5.7 If the responsibility for ensuring landlords are properly educated falls to local authorities, the Government's new burdens assessment must consider the need for councils to carry out more informal activities and allocate adequate funding accordingly.**
- 5.8 Council activities should be complemented by a coordinated information and communication campaign that engages organisations already providing information to landlords, including letting agents, tenancy deposit schemes, landlord membership bodies, and other voluntary organisations.**

¹⁰ TDS Charitable Foundation (August 2024), *Letting in the Private Rented Sector in 2024 The Voice of the Landlord Survey Wave 1*. Available [here](#).

¹¹ MHCLG (2022) Segmenting private landlord compliance. Available [here](#).

¹² Harris, J., Cowan, D. and Marsh, A. (2020) Improving compliance and enforcement in the private rented sector. (CaCHE) Available [here](#).

¹³ As above.

¹⁴ As above.

6.0 Maintaining landlord confidence

- 6.1 Findings from our tenant survey show that accessing privately rented housing is becoming increasingly difficult for tenants. Of tenants who moved in the 12 months to March 2024, 84% reported challenges when searching for a property.¹⁵
- 6.2 It is widely accepted that a lack of supply has a knock-on effect on affordability. In March 2024, 35% of tenants stated that it was difficult to afford their rent in the previous month. This figure was significantly higher among tenants receiving benefits (43%), students (45%), and those unable to work due to sickness or disability (56%).¹⁶
- 6.3 There is concern within the sector that court delays could undermine landlord confidence, potentially leading some landlords to exit the market. In our landlord survey, 13% of landlords reported selling properties in the 12 months to April/May 2024, while 19% expanded their portfolios.¹⁷ The average number of properties bought and sold was roughly equal.
- 6.4 Overall, 6% of landlords said they specifically targeted tenants in receipt of Housing Benefit. Within this group, 20% sold properties in the 12 months to April/May 2024, and 32% said they intend to sell—compared to 24% among all landlords. Landlords providing homes for tenants housed via local authority routes (e.g., Housing Options) were even more likely to consider selling (42%). If this trend continues, lower-income tenants will face increased difficulty accessing the rental market.
- 6.5 We suggest that the Government carefully considers this data, which indicates that more landlords are leaving the affordable part of the private rented sector, and assesses how to maintain landlord confidence.**
- 6.6 The 2021 English Private Landlord Survey suggests that the removal of Section 21 may serve as an additional disincentive for landlords to rent to housing benefit claimants.¹⁸ Our research indicates that ensuring possession claims are processed quickly and effectively is crucial in addressing landlords' perceptions of risk and gaining their support for the reforms.¹⁹
- 6.7 TDS provides a free alternative dispute resolution (ADR) service for resolving deposit disputes. In 2023-24, 14,583 deposit disputes in England and Wales were resolved via formal adjudication (with many more resolved through early resolution).²⁰ Prior to 2003, deposit disputes were handled by the courts.
- 6.8 At TDS, it took an average of 21 days to issue a formal decision—significantly faster than what can be achieved through court proceedings.

¹⁵ TDS Charitable Foundation (June 2024), *Living in the Private Rented Sector in 2024 The Voice of the Tenant Survey Wave 4*. Available [here](#).

¹⁶ As above

¹⁷ TDS Charitable Foundation (August 2024), *Letting in the Private Rented Sector in 2024 The Voice of the Landlord Survey Wave 1*. Available [here](#).

¹⁸ In Wilson, W. (October 2023) *Can private landlords refuse to let to benefit claimants and people with children*. Available [here](#).

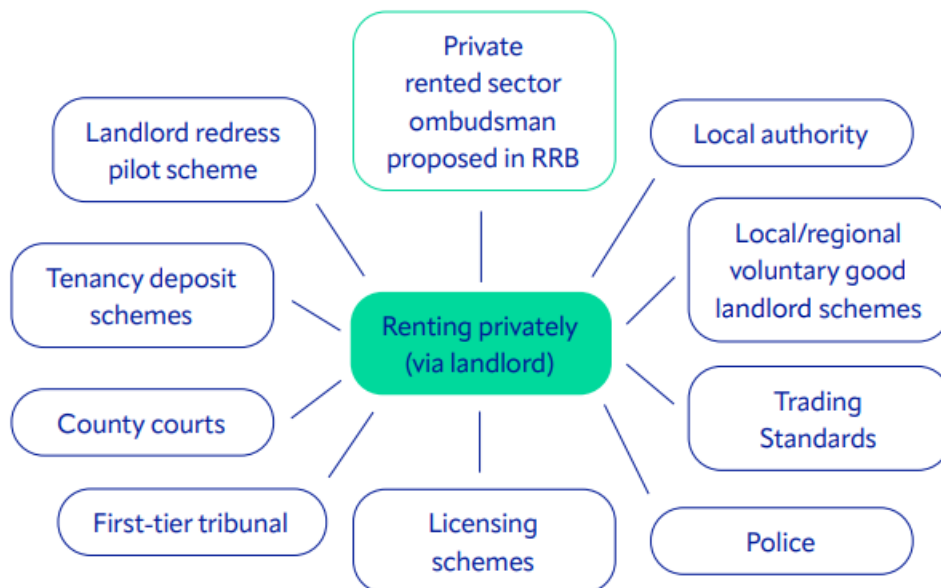
¹⁹ Harris, J. and Marsh, A. (2022) *Understanding landlord behaviour in the Private Rented Sector in the UK*. Available [here](#).

²⁰ TDS (2024) *Annual Review 2023/24*. Available [here](#).

6.9 We believe the Government should explore the possibility of using ADR for possession claims made on mandatory grounds as an alternative to court proceedings, provided that the evidence threshold is met. For this to work, the evidence thresholds should be outlined in statutory guidance.

7.0 Ensuring the new ombudsman does not add to complexity for tenants

7.1 The existing redress landscape in the private rented sector is complex and confusing, as illustrated in the diagrams below.



- 7.2 Tenants currently have several potential routes to resolve housing issues, including: local councils, ombudsman schemes, various licensing schemes, county courts, tribunals, deposit adjudication services and trading standards. In addition, voluntary schemes such as the Good Landlord Charter in Greater Manchester are being established.
- 7.3 Each of these entities has different responsibilities and covers different parts of the sector, leaving much of the responsibility on the tenant to identify the appropriate authority for their issue and where to raise their complaint.
- 7.4 The Renter's Rights Bill includes additional provisions to raise standards in the sector, such as powers to establish a Decent Homes Standard and the creation of a new Ombudsman, which private landlords must join to improve tenant access to redress. Whilst these reforms are welcomed by the TDS Charitable Foundation, they risk adding to the existing complexity.
- 7.5 Last year, the Levelling Up, Housing and Communities Committee noted the "*confusion and perverse incentives resulting from multiple schemes*" for the private rented sector when the private landlord Ombudsman was proposed in the Renters (Reform) Bill in the last Parliament.²¹ When they have a problem, tenants are often unaware of whether it is the agent or the landlord they should be complaining about.
- 7.6 Additionally, logistical challenges arise in providing redress across 2.3 million landlords. The Ombudsman's success will depend on how quickly landlords come under its jurisdiction.
- 7.7 The Government should clarify its overarching vision for dispute resolution in the sector and outline how the requirements and tender selection process for the new Landlord Ombudsman will fit into this vision.**
- 7.8 We believe that a comprehensive vision for reforming dispute resolution in the sector should focus on minimising confusion and complexity for consumers. Our tenant survey shows that 45% of tenants rent their properties through a letting agent. For these tenants, navigating the redress landscape may become even more challenging, as they must determine whether their dispute is with their landlord or letting agent and figure out which of the three ombudsman schemes they need to access.
- 7.9 The Government should consider whether the new Ombudsman could be incorporated into the existing redress landscape within the private rented sector while working towards a "single front door" model, building on the TDS Charitable Foundation's *My Housing Issue Gateway*. We believe that appointing the Housing Ombudsman which currently operates in the social housing sector, would add to existing complexity and confusion for tenants.**
- 7.10 Several organisations and housing experts have highlighted the lack of coherence within the redress system, and many have called for the creation of a single point of access.
- 7.11 For example, JUSTICE proposed the consolidation of all housing advice providers into an easily navigable online portal, serving as a 'one stop shop' for individuals facing housing problems. The proposed single portal would automatically triage and direct disputes to

²¹ Levelling Up, Housing and Communities Committee (2023), *Reforming the Private Rented Sector*. Available [here](#).

the appropriate forum, preventing tenants being “passed from pillar to post” as they struggle to navigating the complex redress landscape.²²

- 7.12 Our research found that 48% of private renters said they want clearer information about how to raise a complaint when needed. 69% of private renters said they would make use of a dedicated website to help them resolve their housing problems.²³
- 7.13 **Despite the demand for it, a single online portal for housing issues has not yet materialised. The TDS Charitable Foundation has taken the initiative to develop a “My Housing Issue” gateway service, in collaboration with organisations representing tenants, landlords, agents and advice services as well as following discussions with civil servants from MHCLG. The goals of the Gateway include:**
- **Ensuring tenants have a better understanding of how to make complaints and how to identify who their dispute is against.**
 - **Helping to make justice more accessible for tenants and encourage early resolution where possible.**
 - **Making the dispute resolution landscape more integrated and therefore less confusing.**
 - **Improving tenants’ understanding of their rights and options.**
- 7.14 The website will act as a signposting service and diagnostic tool. It will help tenants identify the correct dispute resolution mechanism and dispute resolution provider for their problem or dispute, encourage the early resolution of disputes where possible, and provide relevant information about housing rights and options in an interactive and user-friendly format.
- 7.15 Future development of the Gateway could include using APIs to allow complaints to be submitted directly through the Gateway, as well as the creation of a small team to handle and forward complaints that cannot be resolved by tenants themselves.
- 7.16 **We are calling on the Government to endorse and support the promotion of the ‘My Housing Issue’ gateway to ensure that the Bill meets its objectives in empowering tenants and driving up standards in the PRS.**

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²² JUSTICE (2020), *Solving Housing Disputes*. Available [here](#).

²³ TDS Charitable Foundation (2024), *Resolving Housing Issues*. Available [here](#).