

# Renters Rights Bill Briefing

### House of Commons, Report Stage

14 January 2025

### 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 Report Stage in the House of Commons. In expressing our support for amendments within the Bill, we draw attention to our previous briefings¹ and to the findings of our 2020 report, 'Solving Housing Disputes'.² In that report, we recommended practical solutions to address the disaggregated housing dispute landscape, and to increase the provision of information about the rights and obligations of tenants and landlords.

## 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> Losing one's home can be a major life event. Yet for too long, inadequate notice periods have meant that tenants have little time to prepare themselves or find suitable alternative accommodation. JUSTICE is pleased to see that these issues have been recognised, and steps taken with the Bill to address them. In particular, we support the following measures:

<sup>&</sup>lt;sup>1</sup> JUSTICE <u>'Renters Rights Bill: 2nd Reading Briefing'</u>; October 2024; JUSTICE <u>'Renters Rights Bill: Committee Stage Written Evidence'</u>, October 2024.

<sup>&</sup>lt;sup>2</sup> JUSTICE, 'Solving Housing 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"</u>, 26 April 2022.

<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.

- 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>5</sup>
- b) the extension of notice periods for possession cases (Clause 4),
- c) a Decent Homes Standard for the Private Rented Sector (Clause 98);
- d) prohibitions on landlords discriminating against tenants who receive benefits and/or have children (Clause 32-33);
- e) the creation of a Landlord Redress Scheme for the PRS (Clause 62), albeit we stress the need for a single point of entry to the scheme to ensure tenants know where to go to seek help and redress (see paragraph 16 below); and
- f) the creation of a Private Rented Sector Database to increase transparency across the sector (Clause 73).

## **Supported Amendments**

#### **Amendment 7**

4. JUSTICE encourages MPs to vote for Amendment 7, which we consider will improve transparency for tenants and increase the accountability of landlords. Amendment 7 inserts new provisions into section 75 of the Bill relating to the type of information that must be input into landlord and dwelling entries on the Private Rented Sector Database ("the Database").

#### Amendment 7, tabled by Paula Barker

Clause 75, page 101, line 6, at end insert—

"(2A) Information or documents to be provided under regulations under subsection

- (2) must include—
  - (a) in respect of a landlord entry—
  - (i) the address and contact details of the landlord;
  - (ii) the address and contact details of the managing agent;
  - (iii) details of each rented property owned by the landlord;
  - (iv)details of any enforcement action that any local authority has taken against the landlord;

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, 'Live Tables on Homelessness', updated 30 April 2024.

- (v) details of any enforcement action that any local authority has taken against the managing agent;
- (vi) details of any banning orders or rent repayment orders that have been made against the landlord;
- (vii) details of any reports that the landlord has failed to carry out works necessary to remedy any breaches of any applicable housing regulations within the timeframes set out by regulations made by the Secretary of State under section 10A(3) of the Landlord and Tenant Act 1985.
  - (b) in respect of a dwelling entry—
  - (i) the address and contact details of the landlord
  - (ii) the address and contact details of the managing agent;
- (iii) details of any notices given to the previous tenant under section 8 of the Housing Act 1988, including the grounds relied upon;
- (iv) details of the rent that was payable at the commencement of the existing tenancy or, where there is no existing tenancy, the most recent tenancy;
- (v) details of any increases in the rent imposed during the existing tenancy and the previous tenancy;
- (vi) details of energy performance certificates required by regulation 6(5) of the Energy Performance of Buildings (England and Wales) Regulations 2012; (vii) details of gas safety certificates required by regulation 36 of the Gas Safety (Installation and Use) Regulations 1998;
- (viii) details of electrical safety reports required by the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2010;
- (ix) details of checks required under regulation 4(1)(b) of the Smoke and Carbon Monoxide Alarm (England) Regulations 2015; and
  - (x) details of any features of the dwelling relevant to people with disabilities

### The Database

5. The provisions relating to the Private Rented Sector Database are provided in Clauses 73 – 94. The creation of the Private Rented Sector Database is designed to increase transparency within the sector; to help hold landlords to account for maintaining their properties in good condition and to make it easier for local authorities to take enforcement action against landlords who fail to do so.<sup>6</sup> It is intended that the Database will replace functions of the existing Database of Rogue Landlords and Property Agents.<sup>7</sup>

<sup>&</sup>lt;sup>6</sup> House of Commons Library, 'Renters' Rights Bill 2024-25', October 2024, 62-63.

<sup>&</sup>lt;sup>7</sup> MHCLG, 'Renters Rights Bill Explanatory Notes' (11 September 2024), at Note 464.

- 6. Registering with the Database is mandatory for all private landlords (Clause 80(1)-(3). A property cannot be marketed, listed or advertised unless there is an active landlord and dwelling entry relating to it on the Database (Clause 80).
- 7. Clause 75 provides that the Secretary of State may make regulations 1) setting out how landlord and dwelling entries are to be made on the database and 2) specifying the type of documentation or information that should be provided in respect of them. It does not specify any further detail.
- 8. However, if the Database is to achieve its aims of increasing transparency for tenants and enabling them to make informed choices as to the suitability of a property prior to entering a lease, it must provide them with relevant information to help them do so. Likewise, for the Database to assist relevant authorities to take enforcement action against rogue landlords, it must include enough data to help them monitor compliance with housing regulations and the provisions made elsewhere within this Bill. Amendment 7 would ensure that information required to be able to do these things is included in the Database.

### 9. In particular:

- a) Clauses 17(4) of the Bill prevents landlords from relying on Ground 1 (occupation by landlord) or Ground 1A (sale of property) possession grounds, then relisting the property for rent within 12 months. Amendment 7 will help to prevent landlords misusing these possession grounds by requiring landlords to record what eviction grounds they have previously relied on to end a tenancy; this will make it easier to track any inappropriate use of possession grounds and for relevant enforcement action to be taken.
- b) Amendment 7 requires information about enforcement action taken against landlords to be included within the Database, including notices showing that they have failed to complete essential repair works. More specifically, Amendment 7 requires Rent Repayment Orders to be included within landlord entries on the database. Rent Repayment Orders are court orders which require landlords to repay rent where a landlord has committed an offence. Including this requirement fills a gap within the Bill. As currently drafted, 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. Clause 81 sets out the arrangements for local housing authorities to enter such information into the Database. However, neither make provision for Rent Repayment Orders. Including information about these orders in the Database is logical and consistent with other

areas of the Bill which promote the increased use of the orders to hold landlords to account (Clauses 95, 100 and 101).

10. We urge Members of Parliament to vote in favour of Amendment 7.

## Room for Improvement

11. Whilst we welcome the measures contained within the Bill and Amendment 7, we consider that several issues still subsist. We recommend that further amendments be made to the Bill as it progresses, to address these issues.

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

- 12. We consider that the following measures are vital to ensuring the efficacy of the Database:
  - a) Providing a timeframe for implementation 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 that it becomes operational within one year of the Bill's commencement date.
  - b) Ensuring the public can access enforcement data in landlord and dwelling entries 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. We consider that public access to housing-related enforcement data is vital for tenants and that subsection (1)(a) be amended to mandate access to this data, including information that would currently be contained in the Database of Roque Landlords and Property Agents.
  - c) Preventing Digital Exclusion Clause 83 imposes additional duties on the Database Operator, including a duty to ensure facilities are available to allow for persons to make entries on the database, where they do not have access to a computer or electronic device. We recommend that this duty be expanded to ensure that such support is also provided to individuals wishing to access information on the Database or report potential breaches of obligations and/or inaccurate entries, to the Database Operator.

d) Providing Guidance for landlords and tenants and signposting to support - We recommend that the provision within clause 83(1)(d) for the database operator to publish advice and information explaining to tenants and landlords their rights and obligations in respect of the Database, should be expanded to cover their housing rights and obligations generally. Doing so will help improve knowledge and understanding across the sector – education upstream can mitigate poor practices and the need for enforcement further downstream. 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 and landlords. 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>8</sup>

#### **Private Landlord Redress Scheme**

- 13. JUSTICE is pleased that the current gap in redress schemes for the PRS is being addressed via the creation of a new Private Rented Sector Ombudsman (Clause 62(1)) which has the power to make binding decisions and compel landlords to issue apologies, provide information, take remedial action or pay compensation (Clause 63(3)). The creation of a redress scheme brings the PRS in line with the social housing sector which has had a redress scheme since 1996.<sup>9</sup>
- 14. However, we stress the importance of consolidating existing routes to redress. 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 on a disaggregated regulatory system. 11

#### Creation of a Single Ombudsman for the Private Rented Sector

15. As it currently stands, the Bill makes provision for the Secretary of State to approve or designate more than one redress scheme for the Private Rented Sector (Clause 63). We agree with the Government's intention, as set out in the Explanatory Notes, that only one Ombudsman should

<sup>&</sup>lt;sup>8</sup>TDS Charitable Foundation, 'EmpoweringTenants to Make Best Use of Renters' Rights Bill', (2024), p.2

<sup>9</sup> Housing Act 1996, Section 51 and Schedule 2 which mandated the Housing Ombudsman Service.

<sup>&</sup>lt;sup>10</sup>The Law Society, 'Housing – legal aid deserts', February 2024

<sup>&</sup>lt;sup>11</sup> See: Diagram 1 on Page 2 of <u>TDS Charitable Foundation</u>, 'My Housing Issue Gateway Service' Pamphlet, February 2024. 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.

be created for the PRS. The housing redress landscape is already disaggregated, making it difficult for tenants to navigate. Providing multiple ombudsman within the PRS will only worsen this. For that reason, we recommend the Bill be amended to provide for the creation of only one Ombudsman, whilst also emphasising that the administrator(s) of that scheme must have sufficient resources and expertise to adequately meet the unique demands of the PRS – both in terms of volume of complaints and types of disputes. Longer term, we encourage the Government to explore whether there is scope to bring together the social housing and private rented sector schemes in order to further streamline routes to redress for tenants.

#### Creation of a Single-Entry Point / Redress Portal

- 16. More generally, 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 this regard, we highlight the work currently being undertaken by the Tenancy Deposit Scheme with regard to its "My Housing Issue" Gateway, <sup>12</sup> as a starting point for moving towards this. The Gateway provides a tailored signposting and information portal that helps social and private tenants find clear paths to finding appropriate redress forums and legal support. JUSTICE 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 including mediation and conciliation. <sup>13</sup>
- 17. In addition, we consider that the Landlord Redress Scheme can be further enhanced by amending the Bill to:
  - a) Compel the Secretary of State to make regulations requiring landlords to to join the redress scheme
     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. At present, the Bill leaves it to the discretion of the Secretary of
    State to do so (Clause 62(1)).
  - b) *Preventing Digital Exclusion* 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 the significant number

<sup>&</sup>lt;sup>12</sup> See: TDS Chaitable Foundation, 'My Housing Issue Gateway', January 2024

<sup>&</sup>lt;sup>13</sup> JUSTICE, <u>Solving Housing Disputes</u> (2020), Page 70-80.

of individuals who are digitally excluded and those who require advice and support to enable them to seek redress. <sup>14</sup> A provision should be inserted to ensure that the new scheme facilitates digitally excluded landlords and tenants to engage with the system.

Only then will the Private Rented Sector Landlord Ombudsman achieve its aim of helping tenants know where to go to seek help and obtain a resolution with their landlord.<sup>15</sup>

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<sup>&</sup>lt;sup>14</sup> See Good Things Foundation, '<u>Digital inclusion What the main UK datasets tell us'</u>, September 2024 which found that 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>&</sup>lt;sup>15</sup> MHCLG, 'Guide to the Renters' Rights Bill', 26 September 2024.