

Citizens Advice response to MHCLG consultation: Strengthening consumer redress in the housing market



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Citizens Advice welcomes the opportunity to respond to this consultation and provide feedback on the proposals. Our response is based on Citizens Advice's previous work on redress in the private rented sector and Alternative Dispute Resolution across consumer markets. We have provided specific responses to those questions most relevant to our existing research into the private renting sector, complaints handling and effective models of Alternative Dispute Resolution. Further detail on the shape of an ombudsman for private landlords, can be found in our [full policy report](#).

Housing is the third most common issue that clients contact us about, after benefits and debt. In 2016/17, Citizens Advice directly helped people with 400,000 housing issues. Our online housing advice was accessed 4.1 million times.

Over the past 12 months Citizens Advice has advised 120,000 clients on issues relating to private landlords and social housing. This includes:

- 485 issues related to retaliatory eviction
- 1,990 illegal eviction issues
- 3,110 issues of harassment by landlord(s)
- 25,000 issues relating to repairs and maintenance.

Recommendations for the wider housing sector:

1. Introduce a single point of access for formal complaints. Having one clearly branded, independent portal for formal housing redress would simplify the system for consumers and help manage more complex complaints.

2. Create tenure-specific redress schemes, with common service standards across all housing redress schemes. Rationalising the housing redress landscape, so only one scheme handles complaints relating to a specific tenure, will significantly simplify the consumer journey, while retaining some competitive benefits. Setting common service standards will hold schemes to account and streamline complaints involving multiple tenures or organisations.

3. Give housing ombudsman schemes the power to make final and binding decisions. One of the main problems ADR schemes in other sectors have encountered is effectively enforcing their decisions. For a consumer transaction as important as housing, the ability to adjudicate and subsequently hold landlords to account is essential.

Recommendations for the private rented sector:

4. Make it a statutory requirement for all private landlords to join an ombudsman. Even where properties are fully managed, a landlord retains legal responsibility for their tenants' welfare and the safety of the property they let. All tenants and agents need a non-court based route to hold their landlord to account.

5. Require all private landlords to produce a written complaints process when joining the ombudsman. The lack of proper complaints procedures in the private rented sector is a root cause of unresolved disputes. For the ombudsman scheme to function effectively, all landlords must be expected to produce and abide by a reasonable complaints process.

6. Fund the ombudsman via a tiered funding structure, paid for by landlords, that rewards early resolution. This funding structure would reflect the increased work required to resolve drawn-out complaints and provide an incentive to landlords or agents to resolve disputes earlier in the process.

7. Ban retaliatory eviction in relation to complaints under consideration, or upheld, by the ombudsman. Without protection from eviction, private renters are unlikely to use an ombudsman. For the scheme to be a success, tenants with active or upheld complaints must be protected.

8. Allow awards of compensation to be deducted from future rent payments. This immediate and 'automated' approach would reduce the level of non-compliance with compensation payouts.

9. Enforcement for non-compliance with membership or decisions by the ombudsman should be integrated with existing enforcement mechanisms in the private rented sector. Civil penalties, Rent Repayment Orders and restrictions on Section 21 notices could all provide meaningful ways to enforce compliance with an ombudsman scheme.

Q9) Which solutions below do you think would best improve redress in the housing sector (please pick up to three)

- Better awareness from consumers of how to raise complaints
- Improvements to the working of existing redress schemes e.g. more timely complaint handling
- **Better enforcement of redress scheme decisions**

- Schemes all operating to the same criteria/standards
- A code of practice for all housing providers (e.g. landlords, agents, housing associations, developers) on complaints handling
- **Streamlined redress provision in housing (see question 30)**
- **Other [please explain]:** *Stronger protections against revenge eviction*

Ombudsman schemes should offer ‘a level playing field’ between consumer and trader. Similarly, a basic requirement of any redress scheme is that people feel able to use it. Without security of tenure in the private rented sector, both these outcomes are difficult, if not impossible.

Fear of eviction creates a powerful disincentive for private renters both to raise an initial complaint with a landlord, and to formally escalate an issue. Our previous research showed that fear of losing their home affects many tenants. 44% of tenants surveyed in 2017 said fear of eviction would stop them from continuing to negotiate with their landlord over disrepair - the most common reason cited. Similarly, a recent survey of local Citizens Advice staff found that ‘clients worrying about the consequences of complaining’ was cited by 50% of staff as the top issue with redress in the housing market - the most common issue.

Protection from eviction while a complaint is under consideration by an ombudsman is essential if tenants are to have confidence applying to the scheme. Similarly, ongoing protection after a case has been resolved, where the tenant has been found to have a genuine complaint, is needed. This could mirror existing retaliatory eviction measures, where section 21 notices are invalid from 6 months following enforcement notices.¹ Where there is a counterclaim for disrepair, a Section 8 rent arrears eviction should be postponed until the ADR decision has been reached.

Q10) Could more be done to improve in-house complaint handling for housing consumers?

- **Yes [please explain]**
- No
- Not sure

The government states that every landlord should have a complaints process their tenant can follow. But while some landlords set out clear processes and timescales for complaints, others rely on informal methods, like sporadic texts or face-to-face chats.

It is likely that renters will experience problems with their property, making effective in-house complaints handling processes vital. But our research has found that the problems with redress start from the first point of contact.

Complaints processes don't always exist

¹ Department for Communities and Local Government, [Retaliatory Eviction and the Deregulation Act 2015](#), October 2015.

Tenants often don't know how to report problems to their landlord or letting agent, who often lack in-house complaints processes. 12% of tenants report that their landlord/agent had never explained the complaints process to them. And a further 48% said they didn't think their landlord/agent has an in-house complaints process. This is particularly common among private landlords:



Even where processes exist, they are rarely explained to tenants without prompting. Just 1 in 5 tenants said their landlord or letting agent explained how to make a complaint without the tenant either asking directly, or raising a problem first. And in a survey of local Citizens Advice staff, the third most common advice need regarding repairs and maintenance of a privately rented property was how to raise a repair issue with a private landlord or letting agent (cited by 44% of advisers).²

Where processes do exist, they are not adequately explained

People with no awareness of their landlord or agent's complaint process are much less likely to complain than those with who had the process explained to them.

Of those who were only told about the in-house complaints process after raising a problem, 59% experienced an issue but did not complain about it. Among those whose landlord or agent explained the in-house complaints process to them either routinely, or when asked, only 28% chose not to complain about something. Similarly, people who first had the process explained to them in writing were more likely to complain than those who were given the information verbally. 2 in 5 of those who had the process explained verbally did not complain about an issue they had experienced. By contrast, just 1 in 5 of those who first had the process explained to them in writing chose not to make a complaint about an issue they experienced.

At the same time, just 17% of tenants remember reading the 'How to Rent' guide. So outlining a standard complaints process in this booklet is not enough to ensure tenants understand, and feel able to act upon, their rights. Landlords and agents need to

² Citizens Advice Network Panel. Base: 179.

proactively communicate this information to their tenants, while also ensuring the tenant has a written copy they can refer back to if needed.

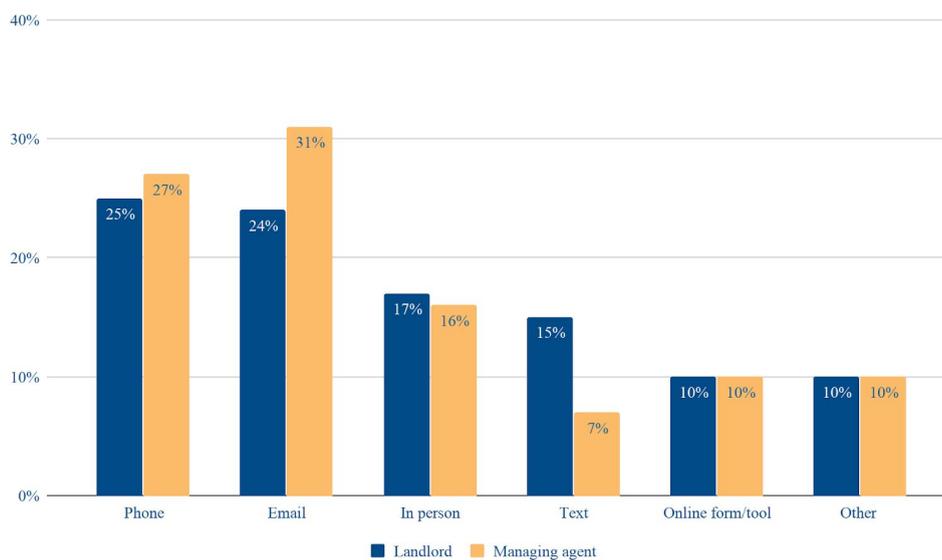
Current communication methods are unfit for purpose

When problems arise, it is particularly important that there are clear, effective lines of communication between tenants and landlords. But tenants currently find it difficult to contact their landlord/agent when things go wrong. In fact, 8% of tenants who experienced an issue and did not complain about it said the main reason was that they were unable to contact their landlord or agent.

Among those who did initiate a complaint, many did so via a method of communication that doesn't produce a written record, such as phone calls or face-to-face conversations.

Alternative dispute resolution (ADR) schemes often emphasise the need for written evidence. This makes it important that tenants have a record of any prior communication with their landlord or agent. Since 56% of tenants initiated the complaints process with their landlord either face to face, over the phone or via an intermediary, this evidence may not be available.

Figure 1: How tenants first initiate a complaint with their landlord or letting agent



Source: Comres. Base: 626 landlord, 575 managing agent.

Previous Citizens Advice research points to a preference among consumers for online ways to resolve complaints, with 43% stating this was their preferred method. Online tools can also be used to inform renters of their rights and highlight when a problem is the tenant's responsibility. At the same time, just 6% of tenants with a landlord initiated their most recent complaint in this way.

In addition, those who initiated their most recent complaint via an app or online complaints form had a shorter average wait for complaints to be acknowledged or

resolved. Landlords and agents should consider how online tools can be used more effectively to ensure swift, satisfactory complaint resolution across the private rented sector.

Routes to redress start with in-house complaints handling

Redress schemes should act as a 'last resort', focusing on the complaints that tenants, landlords and agents have been unable to resolve independently. Where in-house processes are nonexistent or unfit for purpose, it's likely that a redress scheme will receive a much higher number of complaints. In turn, this will make it difficult for the scheme to properly investigate complaints and the scheme will struggle to function.

A redress scheme for private landlords should mandate that members produce a written complaints process upon joining the scheme, as is currently required by the Housing Ombudsman. All complaints processes should emphasise the need for a written record of communication, and set out standard timelines for responding to and resolving issues.

Members of the scheme should be expected to routinely explain their complaints process to tenants. Simply including details of the scheme in a 'How to Rent' guide, should not be considered adequate explanation.

And in cases where a landlord has not adequately responded to a tenant's complaint within 14 days, the scheme should allow the tenant to progress straight to the redress scheme.³

Q11) Are there common practices that housing consumers and businesses should be able to expect from a redress scheme, or do different sectors in housing require different practices?

- Yes - there should be common practices for consumers
- No - different sectors require different practices
- Not sure

Q12) If you believe there should be common practices that consumers should be able to expect from a housing redress scheme, what should they include?

We recommend setting common practices for housing redress schemes, in order to achieve the aim of simplifying and streamlining housing redress. This is particularly true if the government opts for competition that results in overlapping redress providers within the same area of housing, such as letting agents. Schemes that deal with the

³ This mirrors the existing requirements for a complaints process as laid out in the [Government's Guidance to the 2015 Deregulation Act](#).

same types of complaints should be required to meet all of the suggested common practices set out in the consultation document.

- Rules relating to the types of issues consumers can complain about
- Rules relating to the timeframe in which consumers can complain to a provider
- Policies to support awareness raising
- Timeliness of complaint handling
- Cost to consumers
- Compensation levels
- Codes of practice specific to the sector
- Cost to members/ payment structures
- Transparency of decisions
- **All apply**
- Other [please explain]

For schemes dealing with complaints in different areas of housing, there may be legitimate reasons for differences, for instance in payment structure or cost to members. For instance, the Financial Ombudsman Service offers businesses a number of 'free' cases before case fees apply. This would not be suitable for the private rented sector, where majority of landlords have only 1 or 2 properties, but may prove successful in other areas of housing.

Setting common service standards guards against the potential for perverse competitive incentives, such as a race to the bottom on resolution rates, or schemes competing on price alone. Common service standards also improve the consumer experience when a complaint involves multiple tenures or organisations. This is likely to happen frequently in the private rented sector, where a landlord and letting agent could both be involved in a dispute. In these cases, it is particularly frustrating for consumers if service standards, such as cost and timeliness of complaint handling, differ.

"Letting agents often seem not to know the law and put barriers in the way of tenants directly contacting the landlord."

- Local Citizens Advice adviser

"Getting letting agents to contact and chase the landlords....[there is a] conflict issue as the letting agent does not want to be seen to be criticising the people who pay them"

- Local Citizens Advice adviser

In addition, common data collection and reporting practices would also benefit consumers. This makes it significantly easier to spot performance or policy problems in a sector, which tends to raise industry standards.

Case study: Donald

Donald rents a flat in a tall tower block from a private landlord. His flat is located in a tall tower block. A few months ago, the block's management company put up scaffolding over the entire building as part of extensive improvement works, and Donald was told it would remain there for at least 6 months. Donald wanted the work to be carried out section by section, to reduce the impact on individual flats - but since he wasn't consulted or informed about the work, he was not able to express his views. He was very unhappy about the disruption and inconvenience and wanted to make a complaint.

However, his primary relationship is with his landlord, and he doesn't have any contact with the management company who have been carrying out the works. Donald wasn't clear who he should complain to or how to start the process, so he came to Citizens Advice for help.

Q13) Do you think that a redress scheme should publish decisions and the number of complaints relating to different providers? Please explain why.

- Yes
- No
- Not sure

A redress scheme should publish data outlining total number of complaints in each sector, complaint types and decisions made. In the case of letting and managing agents, this data should be linked to the providers concerned, as done by the Financial Ombudsman Service. However, we question whether the benefit of linking data to individual private landlords outweighs the administrative burden involved.

Firstly, it's important that consumers, advocacy groups and government have access to data on complaint types and decisions made regarding landlords, letting agents and managing agents. This enables valuable research into the issues people face. It also creates an incentive for organisations to improve their practices.

Access to information regarding previous claims which have been successful is also likely to improve tenant take-up of the scheme. Our research has found that the lack of visibility of complaints procedures, and information on any action taken as a result, reinforces the impression that nothing will happen as a result of making a complaint. And of tenants who chose not to complain to an existing redress scheme, 27% said this was primarily due to fears they would not be successful.

Secondly, there are benefits in publishing the number of complaints relating to different letting agents. This will shine a light on particularly poor practice in the sector, and create an incentive for agents to improve their practices. However, we question whether linking data to specific landlords would bring the same benefits. Given the large number of private landlords in England - and the fact that most only rent out 1 or 2 properties - this could risk an unnecessary administrative burden. In most cases tenants will struggle

to use this information when renting a property. Only 6% of tenants say they would prioritise their relationship with their landlord over cost, quality and location when thinking about living in a privately rented property. In fact, the only factor considered to be less important was the terms and conditions of their tenancy agreement (prioritised by just 4% of tenants).

Allowing public access to the database of rogue landlords and agents would be a more constructive way to help tenants avoid bad landlords. The more limited nature of this list would also be easier to keep up-to-date.

Q15) How should a redress scheme support consumers to access its scheme?

Across housing, a patchwork of redress schemes has developed, leaving gaps in some areas and overlaps in others. This is particularly true in the private rented sector. Only a tiny minority of tenants have access to an independent dispute resolution scheme for their private landlord.⁴ By contrast, for problems with a letting agent, 3 independent dispute resolution schemes overlap.⁵

In order to ensure redress is accessible across the private rented sector, it must include all landlords, including those whose properties are fully managed by a letting agent. In addition, any scheme should be free to the tenant, as is the case with the current Housing Ombudsman. And to ensure access to redress in practice as well as theory, the government must ensure that tenants can't be evicted for complaining to an ombudsman scheme.

1. Require all landlords to be part of the scheme

At Citizens Advice we advise thousands of private renters who live in a fully managed property, but whose problem is caused by an uncontactable or unresponsive landlord. Our national research shows that 37% of tenants have experienced delays to repairs because their letting agent required permission from the landlord to act.

No landlord should be allowed to 'let and forget'. All landlords have legal responsibilities towards their tenants, and having a non-court based route to hold these landlords to account is vital.

"A fairly common problem is that of the tenant not having the address of the landlord and the letting agency themselves not being able to contact the landlord and getting fed up in trying to chase him/her for authorisation to make the repair"

- Local Citizens Advice adviser

⁴ Citizens Advice, [It's Broke. Let's Fix It](#), July 2017.

⁵ [The Property Ombudsman Scheme](#), [Property Redress Scheme](#) and [Ombudsman Services: Property](#).

Currently, letting agent redress schemes cannot help tenants get redress if the landlord is uncontactable or unresponsive, even if an agent manages the property. If the government is to meet its aims of closing the gaps in housing redress, it should require all landlords to be a member of an ombudsman scheme, including those whose property is fully managed.

2. Make the scheme free to consumers

Cost is a major barrier for tenants. Previous research by Citizens Advice found that 3 in 5 consumers (61%) would be put off from complaining to an ADR scheme if there was a cost involved.⁶ A survey of privately renting tenants found that the cost of taking a landlord to court was the largest barrier for tenants whose landlord was not upholding their responsibilities.⁷

A successful redress scheme would need to remove this barrier. In other consumer markets, where more non-court based routes to redress exist, the lack of cost is one of the main advantages. And the majority of ADR schemes in other consumer markets are free to the consumer, including the current Housing Ombudsman. A recent Citizens Advice study found only 1 scheme where the consumer bears the cost.⁸

3. Protect private renters from revenge evictions

“Despite being given the most up to date advice, clients are frightened to take any action against their landlord for fear of being evicted.”
- Local Citizens Advice adviser

Ombudsman schemes should offer ‘a level playing field’ between consumer and trader.⁹ Similarly, a basic requirement of any redress scheme is that people feel able to use it. Without security of tenure in the private rented sector, both these outcomes are difficult, if not impossible.

Fear of eviction creates a powerful disincentive both to raise an initial complaint with a landlord, and to formally escalate an issue. Our previous research showed that fear of losing their home affects many tenants. 44% of tenants said fear of eviction would stop them from continuing to negotiate with their landlord over disrepair - the most common reason cited.¹⁰ Similarly, a recent survey of local Citizens Advice staff found that ‘clients worrying about the consequences of complaining’ was cited by 43% of staff as the top issue with redress in the housing market - the most common issue chosen.¹¹

“Many clients know that it’s easy for landlord to evict on a section 21 so they are reticent to raise issues.”

⁶ Citizens Advice, [Confusion, Gaps and Overlaps](#), April 2017.

⁷ Citizens Advice, [It’s Broke. Let’s Fix It](#), July 2017.

⁸ Citizens Advice, [Confusion, Gaps and Overlaps](#), April 2017.

⁹ Cabinet Office, [Ombudsman Schemes: guidance for departments](#).

¹⁰ Citizens Advice, [It’s Broke. Let’s Fix It](#), July 2017.

¹¹ Citizens Advice Network Panel. Base: 179.

Protection from eviction while a complaint is under consideration is essential if tenants are to have any confidence in applying to the scheme. Similarly, ongoing protection after a case has been resolved, where the tenant has been found to have a genuine complaint, is needed. This could mirror existing retaliatory eviction measures, where section 21 notices are invalid for 6 months following enforcement notices.¹² And where there is a counterclaim for disrepair, a Section 8 rent arrears eviction should be postponed until the ADR decision has been reached.

Q16) What kind of sanctions should a redress scheme have access to? (tick all that apply)

We recommend that the government allows a redress scheme to access a range of sanctions, including those suggested in the consultation document:

- Financial award up to £25,000
- Financial award greater than £25,000
- Expulsion from scheme
- Power to make decisions binding
- Referral to enforcement agent/ regulators
- **A range of options depending on the type and size of provider**
- Other [please list]

Payment of financial awards to sitting tenants could be expedited by deducting it from future rent, either in single or multiple installments. This would reduce administrative burdens for both the landlord and the ombudsman, and prevent drawn out processes for tenants receiving their award. This would reflect common practice in many consumer ADR schemes, where compensation can be offered in the form of credit notes or credit against an account.

Our previous research found that one of the most unsatisfactory elements of ADR schemes is the enforcement of sanctions.¹³ Too often, businesses don't pay the compensation due or take unreasonably long to do so. In a sector such as private renting, where there are a large number of part-time or 'amateur' traders, non-compliance with regulation is more likely. 40% of local Citizens Advice staff say that problems enforcing tenants' existing rights is a common source of frustration. In these cases, the burden often lies with the consumer to challenge non-compliance. Strong deterrents to non-compliance are needed, as well as creative solutions to speed up compensation processes.

¹² Department for Communities and Local Government, [Retaliatory Eviction and the Deregulation Act 2015](#), October 2015.

¹³ Citizens Advice, [Confusion, Gaps and Overlaps](#), 2017.

We recommend that the ombudsman's enforcement should be integrated with existing enforcement mechanisms in the private rented sector. There are a number of ways this could occur:

- **Civil penalties** should be extended to cover landlords or agents who fail to join an ombudsman or who don't comply with an ombudsman's decision.
- **Section 21 eviction notices** should be deemed invalid where a landlord cannot prove their membership of an ombudsman scheme or where they have not carried out an ombudsman's decision.
- **Rent Repayment Orders (RROs)** should be extended to cover non-compliance with an ombudsman decision. This would mirror the use of RROs for non-compliance with local authority enforcement orders.

Q17) Have you encountered any gaps between different issues, ombudsmen and redress schemes in terms of their areas of responsibility?

- **Yes**
- No
- Not sure

Our research into disrepair and redress in the private rented sector found that there are insufficient options available to private tenants.¹⁴ This research from last year found that, while there were 4.8 million privately rented dwellings in England, fewer than 524,000 of them were covered by ADR for disrepair disputes.¹⁵

There is no mandatory ADR scheme for private landlords. This differs from letting agents, housing associations and local authority landlords, who are all required by law to join an ADR scheme. As explained in Q1, landlords are ultimately liable for disrepair, so this means even tenants whose home is managed by a letting agent are not fully protected. Private landlords can choose to join The Housing Ombudsman, which mediates on all social landlords' disrepair disputes, but very few do.

Our previous research into ADR also identified a number of gaps and overlaps between different redress schemes across markets. For example, consumers across the UK can access the Property Redress Scheme where they have issues with an estate agent who is a member, but not where they have problems with a letting agent operating outside England.¹⁶

Q24: How should redress scheme membership for private landlords be costed?

- A flat rate (and how much do you think it should cost?)

¹⁴ Citizens Advice, *It's Broke, Let's Fix It*, 2017.

¹⁵ Housing Ombudsman Service, *The Housing Ombudsman Annual Report and Accounts 2015-16*, July 2016.

¹⁶ Citizens Advice, [Confusion, Gaps and Overlaps](#), 2017.

- A tiered system according to the number of properties a landlord lets?
- **A pay per complaint system**
- Don't know/This question isn't relevant to me

Formal redress schemes should be a last resort, when the usual negotiation between a consumer and business breaks down. The majority of good landlords will not need to use an ombudsman scheme, and this should be reflected in the amount they pay. For complaints that do reach the ombudsman, financial incentives should be used to encourage early resolution of complaints and deter non-participation by landlords.

A key way to encourage early resolution of complaints is via the scheme's funding structure. Rather than linking costs to the number of properties a landlord lets, it should be linked to the number of complaints a scheme receives about a landlord, in a 'pay per complaint' funding structure. It's likely that a flat fee to all landlords will be needed to cover basic administration of the scheme, but the primary burden of costs should fall on landlords using the scheme.

Additionally, the payment structure for complaints should be tiered depending on the type of dispute resolution required. For example, the charge should be lower for a dispute that only requires initial mediation compared to a dispute requiring full investigation and adjudication proceedings. By funding the scheme in this way it keeps costs low to the majority of landlords and encourages complaints to be resolved quickly.

Q25: How should the requirement to be a member of a redress scheme be enforced and by whom? And are there any other markets we can learn from in order to ensure compliance by a large number of small scale providers?

We recommend that the ombudsman's enforcement should be integrated with existing enforcement mechanisms in the private rented sector. There are a number of ways this could occur:

- **Civil penalties** should be extended to cover landlords or agents who fail to join an ombudsman or who don't comply with an ombudsman's decision.
- **Section 21 eviction notices** should be deemed invalid where a landlord cannot prove their membership of an ombudsman scheme or where they have not carried out an ombudsman's decision.

Q28) Are there any other voluntary or medium term measures that could be implemented to improve redress for tenants in the private rented sector ahead of any legislative changes?

Many landlords and agents lack clear and easy to navigate complaints procedures, particularly focusing on how to initiate the complaint. Measures to increase the

numbers of landlords and agents setting out written complaints processes would improve redress for private renters and help problems get resolved early. Landlords and agents should also consider how online tools can be used more effectively to ensure swift, satisfactory complaint resolution. Online tools can also be used to inform renters of their rights and highlight when a problem is the tenant's responsibility.

The government should not overestimate consumer awareness of existing schemes. Of those who had a dispute with their letting agent/landlord, but didn't make a complaint to an existing scheme, 31% did not know about the letting agent redress schemes. This was the most common reason for not pursuing a formal complaint. Our previous research into ADR schemes found that in most cases, the most difficult stage of complaining to a redress scheme was identifying where to go.¹⁷ And consumers felt more confident about approaching a scheme if they had been clearly signposted by the business. Ensuring agents clearly highlight schemes is therefore crucial for improving access.

Furthermore, the government should explore ways to strengthen existing measures against retaliatory eviction. This could be through improvements to local authority practices or changes to court eviction processes, where there is an unresolved complaint. Government must also ensure local authorities have adequate funding to enforce existing protections.

Q30: Should we streamline redress provision in housing, and if so, what would be the most effective model? Please explain below what you see as the benefits and challenges of the options.

- Yes - One single ombudsman scheme covering housing issues
- Yes - One ombudsman portal for housing related complaints
- Yes - One ombudsman for private housing and another for social housing
- Yes - One ombudsman for each sector of the housing market
- No
- **Other**

We suggest that a combination of the government's proposals would provide the most effective model for redress in the private rented sector.

The confusion caused by having multiple housing redress providers was a key reason for the government's review of the landscape. This can be achieved by introducing a portal and rationalising existing schemes. This has the potential to maintain some of the benefits of competition between schemes while providing greater simplicity for consumers.

One ombudsman portal for housing related complaints:

¹⁷ Citizens Advice, [Confusion, Gaps and Overlaps](#), 2017.

The existence of multiple letting agent redress schemes already makes it difficult for tenants to know who to contact. Introducing redress for private landlords has the potential to make it even more complex. A single point of entry with a clear, commonly recognised brand would ensure consumers get to the right redress scheme quickly.

Private tenants mostly seek advice after they've already tried repeatedly to resolve their issue. 87% of local Citizens Advice staff said that private renters most often come to Citizens Advice for help after reporting the problem to their landlord or letting agent several times, to no avail.

"I remember trying to find out who it was that I needed to complain to and it wasn't easy to find a contact... [the company's] complaint process had a list of the people that you could contact. The problem being that they listed three or four [organisations] or whatever it is. There were a few people that you could contact but it wasn't necessarily the ombudsman, sort of thing. It wasn't clear." - ADR user¹⁸

After a potentially lengthy period of time trying to resolve a complaint with a landlord or agent, problems or delays finding the right redress scheme is hugely frustrating. A portal would help prevent this.

A portal would also be able to alert local authorities to suspected Category 1 or 2 hazards. This would prevent tenants from having to apply for help twice. In these cases, an ombudsman scheme should still consider whether a tenant is due compensation, and set out orders where a local authority does not intervene.

This portal should sit independently of any particular ombudsman scheme. This would allow the scheme to impartially decide whether an ombudsman scheme, multiple ombudsman schemes, or local authority services need to be involved with resolving the complaint.

Rationalising existing redress schemes:

While a portal will simplify the route to redress, there is still a case for rationalising the landscape, so only one scheme handles complaints relating to a specific tenure. It is unrealistic to expect a portal to entirely shield consumers from the confusion of multiple schemes, particularly where multiple schemes cover the same issues and are competing for customers.

Some regulated sectors, such as energy and financial services, only have one approved ombudsman scheme. A similar structure is being consulted on for housing. This would bring social renters, private renters, leaseholders and developers under the same

¹⁸ Confusion, gaps and overlaps

ombudsman scheme. While this would make redress easier to access, it would also make it difficult to challenge poor performance by the scheme.

Single redress providers covering very large complaint areas can, in principle, be kept efficient and competitive through regular re-procurement processes. However, the lack of viable alternative providers makes this difficult in practice. Smaller tenure-specific housing schemes, rather than a single housing ombudsman, would be easier for alternative providers to challenge.

Q31: If you ticked 'Yes' to one ombudsman or one portal above then which areas of redress should be incorporated? [Please tick any areas you believe should be included and explain any reasons for inclusion or exclusion]

All housing complaints listed within the consultation should be incorporated into one portal, as this is the most meaningful way to simplify the landscape:

- **Social housing tenants**
- **Private rented sector tenants**
- **Leaseholders with a private sector freeholder**
- **Leaseholders with a social housing provider as freeholder**
- **Purchasers who have bought a new build home**
- **Purchasers and sellers of existing homes**
- **Park home owners**
- **Persons approaching their Local Authority for homelessness advice**
- **Persons applying to a local authority for social housing**
- **Persons applying for a tenancy with a housing association**

We do not think that incorporating all of the above areas into a single housing ombudsman would provide the best outcomes, due to the concerns set out in Q30. Rationalising the housing redress landscape, so only one ombudsman handles complaints relating to a specific tenure, will significantly streamline the consumer journey, while retaining some competitive benefits. For instance, it will be very common for complaints to involve both letting agents and landlords, so these should be covered by the same scheme.

While there will be complaints that cut across tenures, such as private renter and leaseholder complaints, a well-functioning portal alongside common service standards should make resolution of these complaints fairly seamless.