



Ministry of Housing,
Communities &
Local Government

Strengthening Consumer Redress in the Housing Market

Summary of responses to the consultation and the
Government's response



© Crown copyright, 2019

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

This document/publication is also available on our website at www.gov.uk/mhclg

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/mhclg>

January 2019

ISBN: 978-1-4098-5366-4

Contents

Ministerial Foreword	4
Introduction	6
Summary of actions	9
Response to Consultation Questions	12
1. The Housing Redress Landscape	12
Experience of Making a Complaint	14
What needs to be fixed	16
2. Streamlining Consumer Redress	19
3. Improving ‘In House’ Complaint Handling	21
4. Practices and Powers	22
5. Addressing the Gaps	27
New Build Homes	28
Private Rented Sector	30
Leasehold	35
The Government’s Response	36
Overview	36
Streamlining Consumer Redress	36
Codes of Practice	37
Improving ‘In House’ Complaint Handling	38
Practices and Powers	38
Addressing the Gaps	41
New Homes Ombudsman	41
Private Rented Sector	42
Leasehold	47
Annex A:Glossary of terms	48

Ministerial Foreword

Everyone, regardless of whether they own or rent, in the private or social sector, deserves a decent, affordable and secure place to call home. Which is why it is so important people know where to turn to for help when things go wrong and be confident problems will be put right.

Pivotal to this is a strong voice for residents. They should be able to hold the professionals who are responsible for the quality, safety or management of their homes to account; to challenge poor performance, ensure defects are fixed and complaints resolved in a timely way, and that mistakes are learned from.

This Government has already made great strides toward creating a fairer housing market and raising standards: we're banning unfair letting fees, capping tenancy deposits, cracking down on rogue landlords and agents and improving conditions in the private rented sector. In the social sector too, our Social Housing Green Paper¹ sets out ambitious proposals to rebalance the relationship between landlords and residents.

The Government has also published the *Building a Safer Future Implementation Plan*² in which we committed to ensure building safety in high rise residential buildings through stronger resident engagement and empowerment, and an effective escalation route and access to redress for building safety issues.

Our new 'Building Better, Building Beautiful' Commission³ reinforces our commitment to not just building more homes, but building better, high quality, well-designed homes. This government is committed to elevating the debate on beauty in the built environment, helping to ensure what we build strengthens a sense of belonging and kinship, and means every community is rooted in a place of which it can be proud.

But we know there is more to do to empower residents. Following a wide-ranging consultation with consumers and industry, I am therefore pleased to be setting out our comprehensive plans to strengthen consumer redress in this response:

- First, I want to help plug the gaps in available redress services so that more people can get their housing disputes resolved without going through the courts. To that end, I am proposing a New Homes Ombudsman, underpinned by legislation following the establishment of an interim voluntary service, and requiring developers of new build homes to participate. I will also bring forward legislation to require all

¹ <https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

² <https://www.gov.uk/government/publications/building-a-safer-future-an-implementation-plan>

³ <https://www.gov.uk/government/news/james-brokenshire-building-better-and-beautiful-will-deliver-more-homes>

private landlords, including private providers of purpose-built student housing, and park home site operators to belong to a redress scheme.

- Second, I want to give people a clearer and simpler route to redress through a new Housing Complaints Resolution Service. My aim is for this to become a single one-stop-shop for housing complaints and help prevent anyone with a problem from being turned away.
- Third, I want to work to raise the bar for the service consumers should expect when they seek help by working across the housing sector to ensure the necessary guidance and codes of practice are in place to uphold good standards. I want to see a single “Code of Practice” on complaint handling across all tenures.

So, there can be no excuses for half measures when it comes to quality, safety or standards. Providers of every type of housing should continue to work with us now to put consumers first and deliver the great homes and stronger communities the people of this country need and deserve.

This response is an important step towards that goal, and to creating a fairer housing market that works for everyone.

A handwritten signature in blue ink, appearing to read 'James Brokenshire', written in a cursive style.

The Rt Hon James Brokenshire MP

Secretary of State for Housing, Communities and Local Government

Introduction

1. Making the housing market work for everyone is about more than just building more homes. The Government recognises that for many people – owners or tenants – the place they call home can also be a source of stress and anxiety when things go wrong. However, putting things right is not necessarily a simple process. That is why the Government believes that housing consumers should have effective and accessible ways to access redress and get things put right when they have a problem with their housing.
2. The Government is concerned that the current mechanisms of accessing redress can be confusing and appear fragmented. There are multiple providers of redress that cover only some aspects of housing. Membership of redress schemes is compulsory for some groups of housing providers but not for others.
3. There are also overlaps between responsibilities and a diversity of practice in dispute resolution which may leave some consumers confused about where to seek help and what level of service they can expect. Even when consumers have accessed a redress scheme, there can be issues with how long it takes for a complaint to be handled, and with the enforcement of decisions. For some consumers, particularly where there is a gap in redress services, there is no option but to take a grievance through the courts. This can be daunting, costly and complex.
4. In November 2017⁴, the Government announced its intention to explore options for improving redress in the housing market. In February 2018, we published the consultation: *Strengthening consumer redress in the housing market*⁵. The consultation looked at a range of issues including:
 - How the current redress landscape works;
 - Whether there was a case for streamlining redress services;
 - How we might improve ‘in house’ complaints processes, looking at the practices and processes in redress and what we might do to improve these; and
 - How to fill the gaps in access to redress services in housing with a particular focus on buyers of new build homes and private rented sector tenants.

⁴ <https://www.gov.uk/government/news/government-looks-at-consumer-redress-across-the-housing-sector>

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684843/Streghtening_Redress_in_Housing_Consultation.pdf

5. We are grateful for all those who took the time to respond to this consultation. In this document we set out our response and proposals for action.
6. The Government has already set out its intention to reform redress and regulation in the housing market. We have committed to requiring private landlords to join a redress scheme and in October 2018 we announced⁶ our commitment for a New Homes Ombudsman to protect the rights of buyers of new build homes. These commitments are part of the Government's drive to close gaps in existing redress services and ensure that all housing consumers have access to redress when things go wrong. This consultation response provides more detail on the implementation of these measures.
7. Any work on redress in housing must take account of events leading up to the Grenfell Tower tragedy and the specific implications for those living in social housing. We will ensure that building safety concerns are dealt with appropriately as part of strengthening redress across the housing market, responding to the recommendations in the Independent Review of Building Regulations and Fire Safety⁷ led by Dame Judith Hackitt, which has called for stronger measures to ensure safety concerns are escalated and resolved quickly. The Government published the *Building a Safer Future Implementation Plan*⁸ on 18 December 2018. This responds to the interim and final recommendations from that review and commits to putting residents at the heart of proposals to ensure building safety through stronger resident engagement and empowerment and residents having an effective escalation route and ability to seek redress when things go wrong. We will consult in spring 2019 on the options for a clear and quick escalation route for building safety concerns including the interactions with existing regulators and redress schemes.
8. The experience of those living in social housing is critical to our response to the Grenfell tragedy and our Social Housing Green Paper - *A new deal for social housing*⁹ – identified the importance of effective redress for social housing tenants, including looking at the future of the “democratic filter”, which will be considered alongside the independent Review of Building Regulations and the Building a Safer Future Implementation Plan. Alongside the Green Paper, we published a Call for Evidence¹⁰ to inform a review of the regulatory framework for social housing. The Social Housing Green Paper consultation and Call for Evidence closed on 6 November 2018 and we aim to publish our response in the spring 2019.

⁶ <https://www.gov.uk/government/news/government-announces-new-housing-measures>

⁷ <https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-final-report>

⁸ <https://www.gov.uk/government/publications/building-a-safer-future-an-implementation-plan>

⁹ <https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

¹⁰ <https://www.gov.uk/government/consultations/review-of-social-housing-regulation-call-for-evidence>

Additionally, from 1 October 2018¹¹, the Regulator of Social Housing has been established as a stand-alone organisation, fulfilling our commitment in the 2017 Housing White Paper¹² to put social housing regulation on a more independent footing.

9. This consultation has focused on improving redress and aims to help people without the need to go to court. However, we are also keen to look at how taking action through the courts can be improved where this is necessary. On 13 November 2018, we published a Call for Evidence to better understand and improve the experience of people using courts and tribunal services in property cases, including considering the case for a specialist Housing Court¹³. The Call for Evidence closed on 22 January 2019 and we will publish our response in due course.
10. The policy proposals in this document primarily relate to England. Where proposed legislation has scope outside England, we will continue to engage and consult the devolved administrations to seek agreement.
11. Should any of the proposals in this document lead to the creation of a new central government arm's length body, then the usual, separate government approval process would apply for such an entity.
12. Under the duty, set out in Section 149 of the Equality Act 2010¹⁴, the Department is required to have 'due regard' to the public sector equality criteria¹⁵ and the potential impact that any policy decisions that would have on people with relevant protected characteristics. We have carried out an initial Equality Impact Assessment and we will continue to keep this under review as we develop the proposals set out in this consultation response.

¹¹ <https://www.gov.uk/government/publications/letter-to-stakeholders-standalone-regulator>

¹² Source : <https://www.gov.uk/government/collections/housing-white-paper>

¹³ <https://www.gov.uk/government/news/james-brokenshire-unveils-housing-court-proposals>

¹⁴ <https://www.legislation.gov.uk/ukpga/2010/15/part/11/chapter/1>

¹⁵ <https://www.equalityhumanrights.com/en/equality-act/protected-characteristics>

Summary of actions

13. Having a secure and decent home is critical to our health and wellbeing. It is therefore important that consumers have access to effective and accessible ways to get things put right when they have a problem with their housing. That is why last year we published our consultation: *Strengthening consumer redress in the housing market* on 18 February 2018.
14. We received 1,209 responses from both consumers and industry. These provided clear messages that:
 - redress should be more accessible;
 - improvements need to be made to ‘in house’ complaint handling; and
 - the gaps that currently exist where consumers cannot access redress should be filled.
15. This document sets out how we propose to act on these findings by reducing confusion for consumers on where to go for help, making it easier to access redress through establishing a new service that can direct consumers to the right help, closing the existing gaps in redress services, and strengthening standards for complaint handling.
16. It explains how, through legislation and other measures, we propose to make it easier for consumers by simplifying the process of making a complaint in the first place and reducing the number of consumers being turned away because they approached the wrong service. We will set out how we propose to address the gaps in services, particularly for private renters, leaseholders and buyers of new build homes to ensure housing consumers have access to redress. We will also set out how we will ensure there are better and more consistent standards of dispute resolution across all sectors of housing. Where most appropriate we will propose legislation as soon as parliamentary time allows and we will look to take forward measures on a voluntary basis in the meantime. Our proposals are set out below.

Making access to redress easier for consumers

- To ensure consumers have a quick and easy means of finding the right service to get redress, we propose setting up a new **Housing Complaints Resolution Service**. Our aim is to provide a single point of access for all the current schemes in housing that offer access to redress and alternative dispute resolution. We intend to develop this in collaboration with the redress sector, initially on a voluntary basis, but we will keep open the option of legislation to make this mandatory if necessary.
- Our ambition ultimately is for the new service to cover all housing consumers including tenants and leaseholders of social and private rented housing as well as purchasers of new build homes and users of all residential property agents.

- We propose to establish a **Redress Reform Working Group** with redress schemes, which will work with industry and consumers on developing the new service and the other options set out in this paper, including undertaking a review of redress standards to shape future reform.
- We propose working with those providing redress on other housing matters which are outside the scope of this consultation (such as cases involving third parties where jurisdiction falls across more than one redress scheme), **to ensure the smoothest transfers and interactions of relevant cases or information between services where possible.**
- We will focus efforts on delivering simplified access to dispute resolution but will keep all legislative options under review to ensure reforms are effective for consumers, including the option of a Single Housing Ombudsman.

Improving 'In House' Complaint Handling

- Working with the **Redress Reform Working Group** we will develop and promote effective approaches to improving complaint handling through existing and new guidance on a sector-by-sector basis. Our aim will be for these, where most appropriate, to be underpinned in statute for each sector through legislation or regulation. Through this we can ensure that there are clear expectations for accessibility, transparency, timeliness and sanctions in terms of handling complaints. We will develop this work alongside establishing the new **Housing Complaints Resolution Service**. Work to improve complaints handling in the social housing sector will be carried forward separately through the Social Housing Green Paper and Review of social housing regulation but will also be considered alongside the findings of the Working Group.
- We propose working with those involved in building, managing and letting homes to set out our expectation that all providers must clearly support and signpost consumers on where and how to complain. We will consider legislation if necessary.
- We propose working with existing and new redress providers to ensure that there are clear and achievable targets for complaints handling and that there is greater transparency on performance against these targets. We will also work with redress providers on how better to enforce their decisions through existing powers, such as looking at minimum standards and exclusions from membership. We will consider if legislation is required to make this as effective as possible.
- We propose working with the industry and the new **Housing Complaints Resolution Service** to promote and direct consumers to any appropriate advice and/or advocacy services which offer support to consumers who were unable to make a complaint.
- We propose that there will be better communication covering the types of services which consumers can expect from a scheme and raise awareness amongst private landlords and freeholders about the new requirement to join a redress scheme, this builds on the October 2017 commitment to require private landlords to join a redress scheme.

Addressing the Gaps

- We will fill the gaps in access to redress by proposing legislation to extend mandatory membership of a redress scheme to:
 - a. all freeholders of leasehold properties regardless of whether they employ a managing agent.
 - b. all Private Rented Sector landlords regardless of whether they employ an agent for full management services.
 - c. developers of new build homes.
 - d. all residential park home site operators.
 - e. private providers of purpose-built student accommodation.

Strengthening access to redress

- We will work with redress providers to understand how to deal with complex and difficult cases, which may not fit easily within the work of current redress schemes and will consider legislation to address these gaps. This includes, for example, redress for freeholders resulting from damage caused to their property from being adjacent to a property owned by a social housing landlord.
- We propose to bring forward legislation to underpin a **New Homes Ombudsman** in statute and we will work with industry and consumers prior to legislation so purchasers of new build homes have access to better redress now.
- We propose to consider applications to provide private landlord redress from a broad range of organisations capable of demonstrating ability to deliver high-quality redress, rather than narrowly specifying a preferred type of organisation.
- We propose that district-level authorities enforce mandatory membership of a redress scheme for all private landlords and will also explore enabling Trading Standards to do so. We will work with local authorities to ensure that their officers are aware of the requirements.
- We propose that the penalty for non-compliance with mandatory membership of a redress scheme for all private landlords should be up to £5,000 per breach and will explore stronger sanctions for multiple breaches of the legislation.
- We will seek to improve complaints handling and resolution in the social housing sector as part of our consideration of the Social Housing Green Paper and the Review of the regulatory regime for social housing.

Response to Consultation Questions

1. The Housing Redress Landscape

Overview

17. The consultation: *Strengthening consumer redress in the housing market* ran from 18 February 2018 to 16 April 2018. Respondents were invited to reply using an internet survey (SurveyMonkey); by email, or by posting their written responses to the Ministry of Housing, Communities and Local Government.
18. Out of 1,209 responses received, 86% came from private individuals and 14% came from organisations. A significant proportion of individual respondents were leaseholders (37%) and people who had recently bought a new home (34%). It should be noted that there was a lower response rate from tenants in the private rented sector (3%) and tenants in the social housing sector (3%). For social housing tenants, our expectation is that the Green Paper – *A new deal for social housing* - which closed on 6 November 2018, will provide more in-depth views on what they see are the issues relating to redress for them. The consultation received over 1,000 responses. In the private sector, our consultation on *Overcoming the barriers to longer tenancies in the private rented sector*¹⁶, which closed on 26 August 2018, looked at related issues of security of tenure and retaliatory eviction. The consultation received over 8,700 responses, of which a large proportion were from tenants.
19. This consultation sought views on a range of options to improve redress and how the current system of dispute resolution works, how it might be improved; how any gaps in redress services could be filled and whether the creation of a single housing ombudsman service could help streamline and improve delivery of services. Our analysis is broken down by theme and then by the relevant questions. Some of the ordering of this government response differs slightly from the original consultation. The last section in the consultation document: “Creating a single housing ombudsman service” is considered in the section of this document titled “Streamlining Consumer Redress”.
20. Respondents did not have to answer all the questions in the consultation. For all questions, we provide a breakdown of each response by individuals and organisations. For some of the tables in the document, the numbers do not sum to 100% due to rounding. For multiple-choice questions where respondents could

¹⁶ <https://www.gov.uk/government/consultations/overcoming-the-barriers-to-longer-tenancies-in-the-private-rented-sector>

choose more than one option, the percentages for each option are calculated using the total number of consultation responses received (1,209) therefore the total percentages for these types of questions may exceed 100%. This methodology has been used to help better compare and contrast the response rates for these types of questions.

Our Respondents

Total consultation responses	Individual	Organisation	Total
Total	1,037 (86%)	172 (14%)	1,209 (100%)
Breakdown of individual housing categories			Totals
A leaseholder			385 (37%)
A person that has recently bought a new home			355 (34%)
Other (please explain)			100 (10%)
A freeholder			67 (7%)
A landlord in the private rented sector			64 (6%)
A tenant in the private rented sector			35 (3%)
A tenant of social housing			31 (3%)
A person approaching their Local Authority for homelessness advice			0 (0%)
Total number of individuals			1,037 (100%)
Breakdown of organisational categories			Totals
A housing association/private registered provider			38 (22%)
Other (please explain)			32 (19%)
A sector representative body			30 (17%)
A Local Authority registered provider			14 (8%)
A charity dealing with housing issues			9 (5%)
A letting agent			8 (5%)
An Ombudsman or redress scheme			7 (4%)
A developer			7 (4%)
A managing agent			7 (4%)
A private business			6 (3%)
A Local Authority that is not a provider			5 (3%)
An estate agent			4 (2%)
A private leasehold landlord organisation			3 (2%)
A private rented sector landlord			1 (1%)
A government body			1 (1%)
Total number of organisations			172 (100%)

Experience of Making a Complaint

Q4: Have you ever made a complaint relating to the renting, selling or purchasing of your property, or relating to the management or maintenance of a property in which you are a renter or leaseholder?			
Breakdown by individual and organisation	Individual	Organisation	Total
Yes	504 (50%)	16 (15%)	520 (46%)
No, and I do not know how to make a complaint	372 (36%)	5 (5%)	377 (34%)
No, but I know how make a complaint	145 (14%)	84 (80%)	229 (20%)
Total	1021	105	1,126

Notes: In this section, we have grouped questions, which are directly related to provide a joined-up response. In addition, respondents who selected one of the ‘no’ options for Q4 or did not respond were asked to move to Q9. Respondents who selected the ‘yes’ option to Q4 and/or responded to Q6 were asked to respond to Q5, Q7 and Q8 before moving to Q9.

Q5: If you have complained about the renting, management, selling or purchasing of property, who did you complain to? (Tick all that apply)			
Breakdown by individual and organisation	Individual	Organisation	Total
	510	18	528
Q5: Multiple-choice options breakdown by individual and organisation	Individual	Organisation	Total
Developer	290	2	292 (24%)
Managing agent (leasehold)	155	7	162 (13%)
Politician	129	3	132 (11%)
Freeholder	86	1	87 (7%)
Landlord	70	4	74 (6%)
Redress schemes e.g. ombudsmen	59	5	64 (5%)
Charity	32	0	32 (3%)
Letting agent	26	2	28 (2%)
Estate agent	20	2	22 (2%)
Other	148	12	160 (13%)

Note: Percentages calculated as the number of responses per multiple-choice options over the total number of responses to the consultation (1209 total)

21. Out of the 1,126 respondents who answered Q4, 46% said that they have made a complaint relating to renting, selling or purchasing of their property, or relating to the management or maintenance of a property in which they were a renter or leaseholder. Out of the 54% of respondents who did not make a complaint, 34% did not know how to raise a complaint and 20% knew how to raise one if needed. Of those individuals who said they had not made a complaint about their housing, 36% said they did not know how to raise one compared to 14% who said they did know how to complain.

22. Out of 528 respondents responding to Q5, the majority (97%) were individuals. When asked who they complained to, leaseholders, who constituted the highest proportion of individual respondents, mostly complained to managing agents, developers, freeholders, politicians and 'Other' parties in that order. The next largest category of individuals who responded were people who had recently bought a new home. More than half said they had complained to developers. Social housing tenants most commonly complained to landlords; freeholders to developers, private rented sector tenants to letting agents; and private rented sector landlords in equal numbers to managing agents and letting agents.

Q6: Have you used any of the following housing redress schemes (as a consumer or organisation) in the past five years? Tick the one that you used most recently.

Breakdown by individual and organisation	Individual	Organisation	Total
The Housing Ombudsman	18 (11%)	5 (22%)	23 (12%)
The Property Ombudsman	16 (10%)	3 (13%)	19 (10%)
Ombudsman Services: Property	13 (8%)	0 (0%)	13 (7%)
The Consumer Code (independent dispute resolution service)	12 (7%)	0 (0%)	12 (6%)
Local Government and Social Care Ombudsman	10 (6%)	1 (4%)	11 (6%)
The Property Redress Scheme	7 (4%)	0 (0%)	7 (4%)
Other (please identify)	88 (54%)	14 (61%)	102 (55%)
Total	164	23	187

Note: Respondents who responded to Q6 were asked also to respond to Q7. For this reason, we have grouped Q6 and Q7 to provide a joined up response.

Q7: If you answered Q6, how would you rate the service that you received out of 10? (With 1 being poor and 10 being exceptional)

Breakdown by individual and organisation	Individual	Organisation	Total
1 "Very Poor"	95 (57%)	1 (11%)	96 (55%)
2	15 (9%)	1 (11%)	16 (9%)
3	11 (7%)	0 (0%)	11 (6%)
4	13 (8%)	1 (11%)	14 (8%)
5	11 (7%)	2 (22%)	13 (7%)
6	3 (2%)	2 (22%)	5 (3%)
7	8 (4%)	0 (0%)	8 (4%)
8	4 (2%)	2 (22%)	6 (3%)
9	3 (2%)	0 (0%)	3 (2%)
10 "Exceptional"	4 (2%)	0 (0%)	4 (2%)
Total	167	9	176

23. The most common response as to which redress scheme respondents had used in the last five years (Q6) was the 'Other' category with over half of respondents (55%) picking this category. In the 'Other' category, respondents said they had used warranty provider schemes, First Tier Tribunal Service and their housing

provider e.g. Local Authority to seek redress as well as advisory bodies e.g. Citizens Advice to seek advice on their complaints.

24. Out of the 167 individuals who rated the service they received from a redress scheme (Q7), 40% were from people who recently bought a new home and 35% from leaseholders. These two categories made up the majority (79%) of those who said they had received a 'very poor' service. Only four individuals said they received 'exceptional' service and three of these were leaseholders.
25. Respondents were also asked to comment on their experiences of using a redress scheme within the last five years. The most common response was that their overall experiences were poor. Other respondents said there were issues with impartiality. Some respondents said their complaints had been considered as 'out of scope' of the redress scheme they had approached while other respondents commented about issues with timeliness of the complaint handling.

What needs to be fixed

26. In this section, we look at what respondents suggested needs to be fixed with redress in the housing market.

Q8: What do you consider to be the main problem with redress in the housing market, if any? (tick up to three options)			
Breakdown by individual and organisation	Individual	Organisations	Total
	216	48	264
Q8: Multiple-choice responses by individual and organisation	Individual	Organisation	Total
It takes too long to get a decision or a complaint resolved	115	14	129 (11%)
Complaints are not handled fairly	107	3	110 (9%)
There are gaps in redress	93	12	105 (9%)
It is not clear who to raise a complaint with	78	20	98 (8%)
When decisions are made they are not enforced	75	5	80 (7%)
Schemes are inconsistent in the way that they handle complaints	65	8	73 (6%)
It is not clear how to raise a complaint	52	9	61 (5%)
It is expensive	52	7	59 (5%)
Worried about the consequences of complaining	40	4	44 (4%)
Not everyone has the same access to redress	38	6	44 (4%)
Overlap between schemes	13	5	18 (1%)
There is no problem	3	0	3 (0.2%)
Other (please explain)	74	31	105 (9%)

Note: Percentages calculated as the number of responses per multiple-choice options over the total number of responses to the consultation (1209 total)

27. The most common responses were that it takes too long to resolve complaints (11%), that complaints are not fairly handled (9%), that there are gaps in redress (9%), the 'Other' category (9%) and consumers' confusion about who to raise a complaint with (8%).
28. These results are broadly consistent with responses from those people who have recently bought a newly built home. However, leaseholders' responses differed slightly and their second most common response was that it is not clear to whom they should raise a complaint. For social housing tenants, the most common responses were that complaints were not fairly handled and that there are gaps in redress. For private rented sector tenants, the most common responses were that there are gaps in access to redress services and decisions being made are not enforced.
29. In the 'Other' category, the most common response was about the lack of access to redress. Some respondents highlighted gaps in redress services for purchasers of newly built homes and the lack of an independent ombudsman for them. Other respondents noted issues regarding a lack of impartiality in how their complaints were treated.

Q9: Which solutions below do you think would best improve redress in the housing sector? (Tick up to three)			
Breakdown by individual and organisation	Individual	Organisation	Total
	990	150	1140
Q9: Breakdown of multiple-choice responses by individual and organisation	Individual	Organisation	Total
A code of practice for all housing providers on complaints handling	696	77	773 (64%)
Better awareness from consumers of how to raise complaints	514	72	586 (48%)
Better enforcement of redress scheme decisions	477	38	515 (43%)
Schemes all operating to the same criteria/standards	448	61	509 (42%)
Improvements to the working of existing redress schemes e.g. more timely complaint handling	350	53	403 (33%)
Streamlined redress provision in housing	277	64	341 (28%)
Other (please explain)	237	66	303 (25%)

Note: Percentages calculated as the number of responses per multiple-choice options over the total number of responses to the consultation (1209 total)

30. In response to Q9, 64% of respondents stated that in order to improve housing redress there should be a code of practice for all housing providers on complaints handling. 48% of respondents said there should be better awareness of how consumers can raise complaints. 43% said that there is a need for better enforcement of decisions and 42% said that all housing redress schemes should operate with the same criteria and standards.

31. Individuals and organisations responses to this question differed slightly. The most common responses for individuals were that redress could be improved by the creation of a code of practice for all housing complaints handling; that there should be better awareness of how consumers can complain; and that there should be better enforcement of decisions made by redress schemes.
32. The most common responses for organisations were there should be a code of practice for housing providers on complaint handling, there should be more for consumers on raising awareness of how to complain and the 'Other' category.

2. Streamlining Consumer Redress

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.			
Breakdown by individual and organisation	Individual	Organisation	Total
Yes - one ombudsman for each sector of the housing market	319 (38%)	19 (12%)	338 (34%)
Yes - one single ombudsman scheme covering housing issues	290 (35%)	30 (18%)	320 (32%)
Yes - one ombudsman for private housing and another for social housing	92 (11%)	6 (4%)	98 (10%)
Yes - one ombudsman portal for housing related complaints	45 (5%)	29 (18%)	74 (7%)
No	8 (1%)	1 (1%)	9 (1%)
Other (please explain)	85 (10%)	76 (47%)	161 (16%)
Total	839	161	1000

33. Respondents were asked if we should streamline redress provision in housing and if so, what would be the most effective model. 34% of all respondents to this question said that redress provision should be streamlined and that there should be one ombudsman for each sector of housing. 32% of respondents said yes and there should be a single housing ombudsman for all housing issues. 16% of respondents said the 'Other' category. The remaining options to streamline redress received 10% or less of responses and only 1% of responses said no, we should not streamline redress in housing.

34. In the 'Other' category, the majority of the comments did not set out an alternative option but provided general comments on the consultation. Some expressed support for a single housing ombudsman or a single housing access point ('portal'). There were consistent messages that it was essential that - whatever approach was taken - different areas of housing required specialist knowledge to handle complaints effectively and that these specialisms must be retained.

Q31: If you ticked 'Yes' to one ombudsman or one portal above then which areas of redress should be incorporated? (Please tick the areas you believe should be included and explain reasons for inclusion or exclusion)			
Breakdown by individual and organisation	Individual	Organisation	Total
	523	121	644
Q31: Multiple-choice responses breakdown by individual and organisation	Individual	Organisation	Total
Purchasers who have bought a new build home	417	83	500 (41%)
Leaseholders with a private sector Freeholder	413	84	497 (41%)
Private rented sector tenants	306	92	398 (33%)

Leaseholders with a local authority as freeholder	318	76	394 (33%)
Purchasers and sellers of existing homes	314	70	384 (32%)
Social housing tenants	258	90	348 (29%)
Park home owners	206	69	275 (23%)
Persons applying for a tenancy with a housing association	186	58	244 (20%)
Persons applying to a local authority for social housing	169	55	224 (19%)
Persons approaching their local authority for homelessness advice	159	47	206 (17%)
Other	94	62	156 (13%)

Note: Percentages calculated as the number of responses per multiple-choice options over the total number of responses to the consultation (1209 total)

35. When we asked respondents which category of housing should be included in the remit of a single housing ombudsman or single housing portal, 41% of respondents said purchasers of newly built homes and leaseholders should be included. These two categories make up a significant proportion of individual responses. Next, with 33% each, are private rented sector tenants and leaseholders with a local authority as the freeholder.

36. We received several responses in the 'Other' category, which were not directly related to the question. Of those, the most common response was that all the housing categories listed should apply. Some respondents put forward an alternative view that some categories should not be included, for example, people seeking homelessness advice from a local authority on the basis that some categories listed required different approaches to deal with their specific housing needs.

3. Improving 'In House' Complaint Handling

Q10: Could more be done to improve 'in house' complaint handling for housing consumers?			
Breakdown by individual and organisation	Individual	Organisation	Total
Yes	573 (73%)	106 (81%)	679 (75%)
No	21 (3%)	10 (8%)	31 (3%)
Not Sure	186 (24%)	14 (11%)	200 (22%)
Total	780	130	910

37. The majority of respondents (75%) agreed that more could be done to improve 'in house' complaint handling, with only 3% disagreeing. Opinions of individuals and organisations differed, with 81% of organisations saying yes to this question compared to 73% of individuals; while 24% of individuals and 11% of organisations said that they were not sure if more could be done.

38. Respondents were also asked to provide comments on how they thought 'in house' complaint handling could be improved. The most common response suggested that a single housing ombudsman could help streamline and standardise redress for consumers. Other respondents suggested that access to redress could be improved if there was better signposting and promoting of redress options available to consumers. Some respondents commented on issues relating specifically to purchasers of newly built homes such as there should be a separate ombudsman to provide redress for them.

4. Practices and Powers

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?			
Breakdown by individual and organisation	Individual	Organisation	Total
Yes - there should be common practices for consumers	486 (69%)	87 (69%)	573 (69%)
No - different sectors require different practices	147 (21%)	34 (27%)	181 (22%)
Not sure	67 (10%)	5 (4%)	72 (9%)
Total	700	126	826

Note: in this section, Q11 and Q12 are related so we have grouped them to provide a joined-up response.

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? (Pick as many as relevant)			
Breakdown by individual and organisation	Individual	Organisation	Total
	630	126	756
Q12 Multiple - choice responses breakdown by individual and organisation	Individual	Organisation	Total
Transparency of decisions	381	60	441 (36%)
Timeliness of complaint handling	368	63	431 (36%)
Codes of practice specific to the sector	326	52	378 (31%)
Compensation levels	334	43	377 (31%)
All apply	279	48	327 (27%)
Cost to consumers	274	43	317 (26%)
Policies to support awareness raising	271	44	315 (26%)
Rules relating to the types of issues consumers can complain about	263	48	311 (26%)
Rules relating to the time frame in which consumers can complain to a provider	247	51	298 (25%)
Cost to members/payment structures	168	31	199 (16%)
Other	84	48	132 (11%)

Note: Percentages calculated as the number of responses per multiple-choice options over the total number of responses to the consultation (1209 total).

39. The majority of respondents (69%) who responded to Q11 said there should be common practices that consumers and businesses should expect from redress schemes. Of the 700 individuals who responded to this question, the strongest response was from freeholders, 87% of whom said there should be common practices that housing consumers and businesses should be able to expect from a housing redress scheme. The other individual categories demonstrated support for this option also: 75% for both leaseholders and social housing tenants and 60% for private sector rented tenants. There was less support from private sector landlords with 46%, but this was still their favoured option.

40. When we asked respondents what common practices a consumer should expect from a redress scheme(Q12), 36% of respondents who answered this question said there should be transparency on decisions made and complaints should be handled in a more timely manner. 31% of respondents said there should be codes of practice specific to each sector of housing and commonality on compensation levels.
41. There were some differences between individuals and organisations, with individuals expressing their preferences for transparency on decisions, timeliness of complaint handling and appropriate levels of compensation. Organisations' preferred options were common practices on timeliness of complaint handling, transparency on decisions made by redress schemes and codes of practice specific to each sector of housing.
42. Respondents could also provide comments. The most common responses related to the harmonisation of redress schemes, where respondents suggested there should be more consistency in practices and processes used by redress schemes. Other respondents said that the differences in redress schemes needed to be recognised and suggested that redress schemes should be kept separate. Some respondents were concerned about costs to consumers accessing redress and said there should be no cost to consumers.

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

Breakdown by individual and organisation	Individual	Organisation	Total
Yes	567 (82%)	93 (68%)	660 (80%)
No	18 (3%)	21 (15%)	39 (5%)
Not sure	106 (15%)	23 (17%)	129 (15%)
Total	691	137	828

43. The majority of respondents (80%) who responded to Q13 said that a redress scheme should publish decisions and the number of complaints relating to different providers. 82% of individuals were in favour of this compared to 68% of organisations. Purchasers of new homes had the strongest response, with 91% of that group saying yes.
44. We asked respondents for more detail on whether a redress scheme should be more transparent and what information on complaint handling should be published. The most common responses expressed general support for redress schemes to be more transparent. Other respondents went further and said that transparency on complaint handling could help drive improvement and be used to promote good practice and identify trends. Some respondents said transparency could help empower consumers and better equip them to make informed decisions. Other respondents stressed they were supportive of more transparency

but caveated this by saying that some information would need to be kept confidential.

Q14: What is a reasonable time frame for a redress scheme to deal with a complaint? (Tick one option)			
Breakdown by individual and organisation	Individual	Organisation	Total
Less than 2 weeks	92 (13%)	3 (2%)	95 (11%)
More than 2 weeks but less than a month	216 (31%)	12 (9%)	228 (28%)
More than a month but less than six weeks	112 (16%)	17 (13%)	129 (16%)
More than six weeks but less than two months	42 (6%)	25 (20%)	67 (8%)
More than two months but less than three months	23 (3%)	12 (9%)	35 (4%)
3-6 months	10 (2%)	6 (5%)	16 (2%)
7-12 months	5 (1%)	1 (1%)	6 (1%)
More than 12 months	5 (1%)	0 (0%)	5 (1%)
It depends on the complexity of the case	186 (27%)	53 (41%)	239 (29%)
Total	691	129	820

45. In response to Q14, 29% of respondents said that the complexity of the complaint should dictate the length of time taken for it to be resolved. 28% said that complaints should be resolved in more than two weeks but less than a month and 16% said that the time frame should be more than a month but less than six weeks.

46. There were some differences between the responses for individuals and organisations, with organisations favouring slightly longer time frames to deal with a case, with 41% of organisations compared to 27% of individuals believing the time frame for dealing with a complaint would depend on the complexity of the case. However, among individuals, 31% said that a complaint should take more than two weeks but less than a month.

Q15: How should a redress scheme support consumers to access its scheme?			
Breakdown by individual and organisation	Individual	Organisation	Total
	449	116	565

Note: This was an open text-box question, so some responses offered suggestions falling in more than one of the categories listed.

Q15: Breakdown of open responses by individual and organisation	Individual	Organisation	Total
Awareness	257 (36%)	82 (37%)	339 (36%)
Accessibility	149 (21%)	66 (30%)	215 (23%)
Single housing 'portal'	58 (8%)	19 (8%)	77 (8%)
Advocacy service (website, hotline, advice e.g. legal)	61 (8%)	14 (6%)	75 (8%)
Cost	48 (7%)	19 (9%)	67 (7%)
Regulatory reform	40 (6%)	8 (4%)	48 (5%)
Timeliness	34 (5%)	7 (3%)	41 (4%)

Transparency	19 (3%)	2 (1%)	21 (2%)
Single housing ombudsman	16 (2%)	3 (1%)	19 (2%)
New build homes issues	13 (1%)	0 (0%)	13 (1%)
Landlord Issues	1 (0.1%)	0 (0%)	1 (0.1%)
Retain 'cooling off' periods	0 (0%)	1 (0.4%)	1 (0.1%)
Other issues	24 (3%)	2 (1%)	26 (3%)

47. We asked respondents about how a redress scheme should support consumers to access their schemes (Q15). The most common responses were about raising awareness for consumers, how access to redress could be improved and whether a single point of entry to redress services could help improve awareness and accessibility for consumers. More detail on these responses are set out below.

48. 36% of respondents suggested ways in which consumers could be made more aware of what systems are in place for dispute resolution; for example, consumers could be made aware of options available when they sign a tenancy agreement or purchase a property. Other respondents went further and said it should be considered a breach of regulation if a housing provider or other relevant parties such as developers fail to provide this information.

49. 23% of respondents suggested ways that consumers could access redress services, commenting that there should be multiple means, for example, by writing, by telephone and on-line. Other respondents said that access to redress schemes should not be confined to working hours. Other respondents argued the time limit, - the period of time within which a complaint could be made - is a barrier to being able to access redress. 16% of respondents expressed support for a single point of contact or having access to advocacy services. There were some suggestions that a single point of access (e.g. a single housing ombudsman or "portal") might help streamline the process for consumers wanting to complain and may help provide that complaints in the future are directed to the correct redress scheme to handle them. Other respondents suggested that redress schemes could offer advocacy services, which could help with the submission of complaints and/or provide advice.

Q16: What kind of sanctions should a redress scheme have access to? (tick all that apply)			
Breakdown by individual and organisation	Individual	Organisation	Total
	679	139	818
Q16 Multiple-choice responses breakdown by individual and organisation	Individual	Organisation	Total
Power to make decisions binding	452	62	514 (43%)
Referral to enforcement agent/regulators	406	65	471 (39%)
A range of options depending on the type and size of provider	355	76	431 (36%)

Financial award greater than £25,000	373	30	403 (33%)
Expulsion from scheme	271	49	320 (26%)
Financial award up to £25,000	205	48	253 (21%)
Other	104	60	164 (14%)

Note: Percentages calculated as the number of responses per multiple-choice options over the total number of responses to the consultation (1209 total)

50. When we asked what sanctions redress schemes should have access to (Q16), 43% of respondents said that redress schemes should have more power to make their decisions binding. 39% of respondents said they should be able to make referrals to enforcement agents/regulators and 36% said redress schemes should have a range of options available to them depending on the type and size of housing provider belonging to the scheme.
51. In the 'Other' category, we received comments which expanded on the kind of sanctions a redress scheme should be able to access. The most common response was that there should be more regulatory powers for redress schemes' decisions to be binding. Other respondents suggested that redress schemes should be able to award appropriate compensation and have access to more sanctions if there is non-payment. For example, some respondents said there should be no cap on the amount of compensation awarded, and there should be a time limit on compliance, with penalties, if this was not met.

5. Addressing the Gaps

52. In this section we are exploring where the gaps are in access to redress in housing. The Government recognises there are some significant gaps for consumers in accessing redress services when they are seeking to resolve complaints with their housing. In particular, in this section we are looking at what needs to be done for purchasers of new homes, private renters and leaseholders.

Q17: Have you encountered any gaps between different issues, ombudsmen and redress schemes in terms of their areas of responsibility?			
Breakdown by individual and organisation	Individual	Organisation	Total
Yes	199 (32%)	58 (53%)	257 (36%)
No	140 (23%)	36 (33%)	176 (24%)
Not sure	273 (45%)	15 (14%)	288 (40%)
Total	612	109	721

53. When we asked if respondents had encountered any gaps between different issues, ombudsmen and redress schemes in terms of their areas of responsibility (Q17), 40% said they were not sure, 36% said they had encountered gaps and 24% said they had not. There were some differences between individuals and organisational responses. Individuals were more likely to say they were not sure at 45% compared to 14% for organisations, whereas organisations, at 53% were more likely to say yes they had encountered gaps in redress compared to individuals, at 32%.

54. Out of the 612 individuals who responded to this question, 47% of leaseholders said they were not sure if they had encountered any gaps in redress but 42% of purchasers of new homes said yes, they had encountered gaps.

55. Respondents were asked to provide comments on what gaps they had encountered. The most common responses highlighted the existing gaps in redress services for purchasers of new homes and leaseholders. Other responses highlighted that the current redress system generally is fragmented and there is confusion about which schemes have jurisdiction over which issues in housing. Some respondents noted there are differences in processes and timescales of different redress schemes and some mis-matches of standards.

56. Both the Local Government and Social Care Ombudsman and The Housing Ombudsman Service raised concerns about third party complaints where there are issues in relation to a property in one tenure which impact on a household in another. Often the statutory jurisdiction of the redress provider means that the complainant has no right to approach the scheme, which has oversight of the tenure where the issue originates. We will explore such cases as part of the

discussions with the Redress Reform Working Group which we intend to establish with redress schemes, working with industry and consumer bodies.

New Build Homes

Q18: Should purchasers of new build homes have access to an ombudsman scheme?			
Breakdown by individual and organisation	Individuals	Organisations	Total
Yes	585 (93%)	100 (82%)	685 (91%)
No	12 (2%)	5 (4%)	17 (2%)
Not sure	32 (5%)	17 (14%)	49 (7%)
Total	629	122	751

57. The majority of respondents who replied to Q18 agreed that purchasers of new build homes should have access to an ombudsman scheme, at 91%. There was a variation between individuals and organisations agreeing with this at 93% and 82% respectively. Only 2% of all respondents answered that purchasers of new build homes should not have access to an ombudsman scheme. The responses suggest that the current system for redress for purchasers of new build homes is not clear or adequate.

Q19: Is there an existing ombudsman scheme that is best placed to deliver this? If so, which?			
Breakdown by individual and organisation	Individual	Organisation	Total
	336	85	421

Note: This was an open text-box question, so some responses offered suggestions falling in more than one of the categories listed.

Q19: Is there an existing ombudsman scheme that is best placed to deliver this? If so, which?			
Breakdown by individual and organisation	Individuals	Organisations	Total
Yes	26 (7%)	28 (25%)	54 (11%)
No	164 (45%)	25 (22%)	189 (39%)
Not Sure	121 (33%)	12 (11%)	133 (28%)
Other	31 (8%)	20 (18%)	51 (11%)

58. Out of 421 respondents who replied to Q19, 39% stated that there was not an existing scheme that is best placed to deliver an ombudsman service for purchasers of new build homes. There was a disparity between the responses of individuals and organisations, with a much higher proportion of organisations responding that there is an existing scheme that is best placed to deliver an ombudsman service compared with individuals, at 25% and 7% respectively. A small number of respondents offered an alternative view for instance, that a New Homes Ombudsman should be created, and others responded that a single housing ombudsman should be set up.

Q20: Should this body be statutory?			
Breakdown by individual and organisation	Individuals	Organisations	Total
Yes	531 (87%)	73 (69%)	603 (84%)
No	6 (1%)	10 (10%)	16 (2%)
Not sure	72 (12%)	23 (21%)	95 (14%)
Total	609	105	714

59. The majority of respondents (84%) who replied to Q20, stated that an ombudsman scheme for new homes should be statutory. Organisations were much less likely than individuals to agree that this ombudsman scheme should be statutory, 69% compared with 87% respectively. Organisations were also more likely to disagree or were not sure whether this ombudsman scheme should be statutory, compared to individuals.

Q21: Aside from the issues discussed in section three of this document, are there other things we should be considering ensuring that complaints are dealt with swiftly and effectively by homebuilders?			
Breakdown by individual and organisation	Individuals	Organisations	Total
	331	88	419

Note: This was an open text-box question, so some responses offered suggestions falling in more than one of the categories listed.

Q21: Breakdown of open - responses by individual and organisation	Individuals	Organisations	Totals
Powers and enforcement	102 (25%)	15 (12%)	117 (22%)
Service standards	84 (20%)	33 (26%)	117 (22%)
Independence and governance	69 (17%)	18 (15%)	87 (16%)
Other	42 (10%)	8 (7%)	50 (9%)
Consumer empowerment	34 (8%)	16 (13%)	50 (9%)
Transparency	29 (7%)	8 (7%)	37 (7%)
Build quality and better builder/warranty provider	26 (6%)	8 (7%)	34 (6%)
No	8 (2%)	9 (7%)	17 (3%)
Resources	9 (2%)	1 (1%)	10 (2%)
Not sure	11 (3%)	7 (6%)	18 (3%)

60. The most common responses to Q21 were 22% in relation to improving service standards, 22% for strengthening powers and enforcement, and 16% for greater independence and governance. A higher proportion of organisations identified improved service standards as a way to deal with complaints swiftly and effectively than individuals. Conversely, a much higher proportion of individual responses were in relation to strengthened powers and enforcement tools compared to organisations. This included fines, payment retention and steps that penalised the home builder/warranty provider or made the builder accountable.

Private Rented Sector

Q22: Should the requirement for private landlords to belong to a redress scheme apply to all private landlords?			
Breakdown by individual and organisation	Individuals	Organisation	Total
Yes	380 (64%)	78 (69%)	458 (65%)
No - it should only apply to landlords that don't use an agent to provide full management services	80 (14%)	30 (27%)	110 (15%)
Don't know	133 (22%)	5 (4%)	138 (20%)
Total	593	113	706

61. The majority (65%) of respondents, from both individuals at 64% and organisations at 69%, said that all private landlords should belong to a redress scheme. 15% said that the requirement should only apply to landlords that do not use an agent to provide full management services.
62. 6% of individuals who responded to this question identified as private landlords and of these, 41% said the requirement should apply to all landlords, 32% said it should only apply to those landlords that do not use an agent, and 27% didn't know. 3% of individuals identified as private rented sector tenants. 89% of these said all landlords should be required to join a redress scheme; the other 11% said the requirement should only apply to landlords who do not use an agent.

Q23: Who is best placed to provide a redress scheme for private landlords?			
Breakdown by individual and organisation	Individual	Organisation	Total
A new ombudsman, such as a single housing ombudsman	366 (67%)	47 (44%)	413 (63%)
Existing redress schemes in the private rented sector	49 (9%)	13 (12%)	62 (10%)
The tenancy deposit schemes	55 (10%)	4 (4%)	59 (9%)
Other (please explain)	75 (14%)	42 (40%)	117 (18%)
Total	545	106	651

63. Out of 545 individuals who responded to this question (Q23), 6% identified themselves as private landlords whilst 3% identified as private rented sector tenants.
64. The majority with 63% of respondents said that mandatory private landlord redress should be delivered by a new ombudsman such as a single housing ombudsman as proposed in Q30. 18% of respondents answered 'Other', suggesting alternatives to deliver a redress scheme for private landlords. Of these respondents, 23% said that a redress scheme covering the whole private rented sector (but not a single housing ombudsman) would be best-placed to provide

redress for private landlords. 10% of respondents said that the existing redress schemes and 9% said tenancy deposit schemes were best-placed to provide redress for private landlords.

Q24: How should redress scheme membership for private landlords be costed?			
Breakdown by individual and organisation	Individual	Organisation	Total
A tiered system according to the number of properties a landlord lets	197 (36%)	48 (47%)	245 (37%)
A pay per complaint system	116 (21%)	26 (26%)	142 (22%)
A flat rate (and how much do you think it should cost?)	40 (7%)	11 (11%)	51 (8%)
Don't know/ This question isn't relevant to me	201 (36%)	16 (16%)	217 (33%)
Total	554	101	655

65. Out of 554 individuals who responded to Q24, 5% of individual respondents were private landlords and 3% were private rented sector tenants.

66. 37% of respondents who responded to this question said that redress scheme membership should be costed via a tiered system according to the number of properties a landlord lets. 22% said that a pay per complaint system would be most appropriate, whilst 8% said there should be a flat rate. A range of flat fees were suggested including £2.50 per tenancy through to £500 per year per landlord.

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?			
Breakdown by individual and organisation	Individual	Organisation	Total
	279	89	368

Note: This was an open text-box question, so some responses offered suggestions falling in more than one of the categories listed.

Q25: Breakdown of open - responses by individual and organisation	Individual	Organisation	Total
Local government	45 (15%)	35 (34%)	80 (20%)
Redress schemes	48 (16%)	23 (22%)	71 (18%)
Central government	45 (15%)	7 (7%)	52 (13%)
New national body e.g. regulator or a single housing ombudsman	29 (10%)	17 (17%)	46 (12%)
Legislate/make compulsory	32 (11%)	5 (5%)	37 (9%)
Courts and tribunals	10 (3%)	3 (3%)	13 (3%)
Learn from the Financial Services Industry	8 (3%)	0 (0%)	8 (2%)
Other	41 (14%)	8 (8%)	49 (12%)
Don't know/Unsure	40 (13%)	4 (4%)	44 (11%)

67. Out of the 279 individuals who responded to Q25, 7% were private landlords and 4% were private rented sector tenants.

68. 20% of respondents who provided comments said that local government should enforce the requirement. 18% said that the existing redress schemes would be best placed to enforce it. Smaller numbers of responses advocated enforcement through a new national body such as a regulator or a single housing ombudsman. 9% favoured legislation to mandate private landlord membership of a redress scheme and 3% said through the courts and tribunals. Very few respondents made suggestions about other markets we could learn from to ensure compliance from a large number of small-scale providers, but 2% suggested we learn from the financial services industry. Responses grouped as 'Other' included linking enforcement to the registering of a tenancy deposit, requiring landlords to join an on-line registration system and using council tax data to locate rented properties.

Q26: What should the penalty for initial non-compliance be? If a financial penalty, what would be an appropriate level of fine?			
Responses by individual and organisation	Individual	Organisation	Total
Financial penalty (<i>please give details on suggested level of fine</i>)	133 (24%)	35 (34%)	168 (26%)
Criminal offence	130 (24%)	5 (5%)	135 (21%)
Civil sanction such as improvement notices or enforcement notices	66 (12%)	16 (15%)	82 (13%)
Loss of right to evict tenants under Section 21	29 (6%)	7 (7%)	36 (5%)
Other (<i>please explain</i>)	44 (8%)	27 (26%)	71 (11%)
Don't know/this question isn't relevant to me	144 (26%)	13 (13%)	157 (24%)
Total	546	103	649

69. Out of 546 individual responses to Q26, 10% were private landlords and 5% were private rented sector tenants. Respondents were also invited to suggest an appropriate level of fine. 26% of all respondents said the penalty for initial non-compliance should be a financial penalty. 14% of these respondents said that the level of fine should be variable and based on the landlord's income, 13% said that it should be variable but based on other criteria such as number of properties the landlord lets and 12% said it should be a fine of up to £5,000. 21% of all respondents said initial non-compliance should be a criminal offence. 5% of respondents said that the loss of the right to evict tenants under a Section 21 notice¹⁷ would be an appropriate sanction. 11% of all respondents provided 'Other'

¹⁷ <https://www.gov.uk/evicting-tenants/section-21-and-section-8-notice>

responses including using sanctions such as banning orders for initial and/or multiple breaches, returning deposits to tenants whose landlord failed to join a redress scheme and refusal of planning applications until a landlord joins a redress scheme.

Q27: How can Government best ensure that landlords are aware of their requirement to belong to a redress scheme?

Breakdown by individual and organisation	Individual	Organisation	Total
	313	90	403

Note: This was an open text-box question, so some responses offered suggestions falling in more than one of the categories listed.

Q27: Breakdown of open - responses by individual and organisation	Individual	Organisation	Total
Publicity: direct marketing (through sector organisations)	83 (23%)	52 (42%)	135 (28%)
Publicity (national advertising campaign)	75 (21%)	25 (20%)	100 (20%)
Legislate/make it compulsory	59 (16%)	11 (8%)	70 (14%)
Landlord registration	39 (11%)	6 (5%)	45 (9%)
Effective enforcement	20 (5%)	3 (2%)	23 (5%)
Education	11 (3%)	6 (5%)	17 (3%)
Land registry/HMRC/Tax returns	12 (3%)	5 (4%)	17 (3%)
Lenders/solicitors	13 (4%)	3 (2%)	16 (3%)
Rights and responsibilities listed in tenancy agreements	5 (1%)	7 (6%)	12 (2%)
Other	21 (6%)	7 (6%)	28 (6%)
Don't know/unsure	26 (7%)	0 (0%)	26 (5%)

70. Out of 313 individuals who responded to Q27, 7% identified as private landlords and 4% as private rented sector tenants.

71. Many responses (48%), said that publicity was the best way to ensure that landlords were aware of the requirement to join a redress scheme. This could be achieved either through direct marketing via existing sector organisations (28%) or through a national advertising campaign (20%). 14% said the Government needed to legislate to make it mandatory for landlords to belong to a redress scheme, with 9% saying that compulsory landlord registration should also be required. 5% advocated effective enforcement of the requirement as a way to make landlords aware (5%), 3% suggested landlord education, 3% using data from HM Land Registry or HM Revenue and Customs (or tax returns), reaching landlords through lenders or solicitors, and 2% were in favour of making rights and responsibilities clear in tenancy agreements.

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?

Breakdown by individual and organisation	Individual	Organisation	Total
	195	68	263

Note: This was an open text-box question, so some responses offered suggestions falling in more than one of the categories listed.

Q28: Breakdown of open – responses by individual and organisation	Individual	Organisation	Total
No, legislate now	38 (20%)	18 (23%)	56 (21%)
Encourage/establish voluntary redress schemes/codes of conduct	18 (10%)	19 (24%)	37 (14%)
Effective enforcement	12 (7%)	5 (7%)	17 (6%)
Publicity (national advertising campaign)	8 (4%)	5 (7%)	13 (5%)
Publicity (direct marketing on-line)	8 (4%)	3 (4%)	11 (4%)
Landlord registration	4 (2%)	5 (6%)	9 (3%)
Rights and responsibilities listed in tenancy agreements	2 (1%)	4 (5%)	6 (2%)
No, private rented sector is over regulated	2 (1%)	1 (1%)	3 (1%)
Other	42 (22%)	15 (19%)	57 (21%)
Don't know/unsure	54 (29%)	5 (6%)	59 (22%)

72. Out of 195 individuals who responded to Q28, 6% identified as private landlords and 3% as private rented sector tenants.

73. 21% of responses said there was no short to medium term option and that the government should therefore legislate as soon as possible to require landlords to join a redress scheme. 14% of responses suggested that the government could encourage private landlords to join redress schemes voluntarily in the short to medium term. Some remaining responses - as shown in the table above - repeated the points made under Q27. 21% of respondents made a number of 'Other' suggestions including that an on-line portal for housing complaints could be created quickly, that local authorities should share data on private landlords and that 'rogue' landlords should be publicised in the run up to mandatory redress being implemented.

Leasehold

Q29: Do you think that freeholders of leaseholders' properties should all be required to sign up to a redress scheme?			
Q29 Responses by individual and organisation	Individual	Organisation	Total
Yes	491 (81%)	83 (76%)	574 (81%)
No	16 (3%)	6 (5%)	22 (3%)
Not sure	96 (16%)	21 (19%)	117 (16%)
Total	603	110	713

74. The vast majority of respondents at 81% strongly supported freeholders of leasehold properties being required to sign up to a redress scheme and 3% of respondents were opposed. 93% of leaseholders responding were strongly supportive as well as the majority of stakeholder groups. There was no difference of opinion between the overall response from individuals and organisations.

The Government's Response

Overview

75. Responses raised a range of detailed issues but overall they indicated confusion about how to complain and where to go. Issues were raised about how long resolving a complaint and receiving appropriate redress could take, and the poor service that could be experienced.
76. Our proposal for a new **Housing Complaints Resolution Service** responds to these concerns by working to build better access to redress through establishing a simplified point of access for consumers when they have an issue with their housing.
77. Our proposal for a new **Redress Reform Working Group** will bring together expertise from across the redress sector. The group will enable us to work with redress schemes to develop the new **Housing Complaints Resolution Service** and the other proposals set out in this document, including best practice guidance. We propose that this guidance will eventually, where appropriate, be underpinned by sector specific legislation or regulation. It is the Government's ambition that this will develop in to a **Code of Practice** on complaint handling for the whole housing sector.
78. Our proposals for filling the gaps in redress services will help to ensure that more households have the opportunity to seek help when something goes wrong. By working with the **Redress Reform Working Group** we will also consider options for dealing with the more complex and difficult cases, which may not fit easily within the work of the current redress schemes.

Streamlining Consumer Redress

79. Looking at the concerns raised by consumers about accessibility, awareness and transparency in relation to redress as well as concerns about the preservation of sector specific expertise, we believe that the most effective route to streamline access to services would be to establish a single 'front door' service. This would provide simple access for consumers to redress, via a single user interface regardless of tenure, while retaining the specialist expertise of the different schemes. We will legislate in due course for a single service if this is required. There was a fine balance of views on the best way to streamline redress, but we consider that the creation of the new **Housing Complaints Resolution Service** would be the quickest and most effective means to simplify and improve access for consumers seeking redress without the risk of short to medium term disruption to the provision of redress services.

80. The Government proposes to work with the redress sector to establish the **Housing Complaints Resolution Service** which would ensure consumers have a single point of access to alternative dispute resolution in housing, while preserving the expertise and role of existing providers. This would help ensure consumers will not be turned away simply because they do not know where to go and, alongside proposed work on best practice guidance on complaint handling and other improvements to redress provision, it would help provide clear expectations across all tenures about when and how they will receive a response. We will consider whether legislation is necessary to ensure the service and standards are as effective as possible.
81. We also propose to establish a **Redress Reform Working Group** with existing redress schemes which will work with industry and consumers to develop the new service and other measures set out in this document.
82. The Government's aim is that the new **Housing Complaints Resolution Service** will help renters in private and social housing, leaseholders, and buyers of new homes. Homelessness and housing allocation complaints are currently dealt with by the Local Government and Social Care Ombudsman. In the consultation responses there was less support for these functions to be considered as part of any new streamlined service. In light of this, and the fact that these issues concern statutory responsibilities, we would not initially expect these areas to be included in the new service. However, we will discuss with Local Government and Social Care Ombudsman how complaints about these services could best align with the new service. We will also discuss with the Tenancy Deposit Protection schemes what role they would play.

Codes of Practice

83. Respondents said that a single code of practice for complaint handling would help improve redress in the housing market. After consideration, we have concluded that the most effective approach in the medium term will be to drive forward improvements on a sector-by-sector basis, taking account of the existing complaints handling processes and arrangements that are in place. We will work to ensure that there are clear expectations for accessibility, transparency, timeliness and sanctions in terms of handling complaints. In some sectors this may be carried out on a voluntary basis in the first instance, and we will explore whether underpinning such codes in legislation is necessary to drive uptake. We want consumers to have a clearer expectation of when they should receive a response based on the complexity of the case and that they are kept informed of progress with early notification if this is not going to be met.
84. Where appropriate, we will on an individual sector basis use existing statutory powers or proposed legislative vehicles to introduce or reform individual sector

codes. It is our ambition in the longer term that there should be a single **Code of Practice** on complaint handling across all of housing. We will work with the redress sector to explore how this can be delivered.

Improving 'In House' Complaint Handling

85. We intend to work with the redress providers to develop best practice guidance, relevant to each sector of housing, on the handling of complaints by providers. This will ensure that consumers will have clear expectations on timeliness, transparency and how to access redress. We will do this by working in partnership with redress schemes and industry bodies on a voluntary basis. Many private landlords, who under the proposals in this response will be required to join a redress scheme, will not have a complaints handling process in place and so we will work to share best practice guidance with them as part of our plans to communicate mandatory landlord redress. We will keep progress under review and consider legislation if necessary to make these changes effective.
86. In the Social Housing Green Paper - *A new deal for social housing* - we have sought views on how to ensure redress is swift and effective for social housing residents, and that residents can access the right advice, service and support when making a complaint. This includes proposals for more consistent reporting by landlords on how they deal with complaints, and whether the Regulator of Social Housing should be given powers to produce a code of practice to clarify what is expected from consumer standards. The Green Paper also seeks views on whether the Regulator should be able to set out specific timescales for effective complaint handling in a code of practice.
87. We are considering feedback on the Social Housing Green Paper consultation and aim to respond in spring 2019. These proposals will feed into the review of the regulatory regime for social housing and will also be informed by the government's response to this consultation.

Practices and Powers

Codes

88. Redress schemes in housing are governed by different arrangements according to the tenure. There is a need for some variation in practice for different parts of the market as different sectors have different processes. For example, newly built homes require specific consideration covering reservations of a property before it is built, snagging issues after completion and structural issues, which may take time to be resolved. In rented housing there are day-to-day housing management issues which may be resolvable more quickly. The investigation of an issue may vary and therefore the length of time for resolution may need to vary. On an individual sector basis, we will use relevant legislative measures to either introduce new individual sector codes or reform existing ones and where

appropriate underpin in law any standards which we will set out in overarching redress guidance.

89. In the meantime, we will work with industry, warranty providers and consumers to ensure that the distinct practices for the new build sector are addressed and that these are reflected in an agreed single consumer code of practice which would be used by a New Homes Ombudsman to adjudicate against.

Transparency

90. Redress schemes are already taking action to improve practice. The Housing Ombudsman Service's Business Plan 2018 -19¹⁸ sets out their plan for making their processes and outcomes more transparent and is also working to publish cases. The private sector redress schemes - The Property Ombudsman and the Property Redress Scheme - publish annual statistics which include the number of complaints received and upheld, types of complaints, levels of award, timeliness of adjudications and anonymised case studies. We will monitor the schemes' performance through their returns to the Department and we will work with the **Redress Reform Working Group** to explore with the redress schemes what further data can be made available to improve transparency for consumers.

Timeliness

91. We will work with redress schemes to ensure that each has clear and achievable targets for timescales for complaints handling, and consider the role of the new **Housing Complaints Resolution Service** in consistently recording and reporting on the results of these.
92. Alternative dispute resolution schemes, including the existing redress schemes in the private sector, must comply with legislation requiring them to provide their decision to relevant parties within 90 days of receiving the completed complaint file, except in highly complex disputes¹⁹ and where they are bound to other statutory rules. The Department, as well as the Chartered Trading Standards Institute and the National Trading Standards Estate Agency Team, monitors the schemes' performance with statistics on timeliness and we will continue to work with them to ensure that cases are dealt with as expediently as possible without any loss of fairness or accuracy. A strengthened single consumer code for developers of new build homes would have a set of clear timescales for dealing with complaints.

¹⁸ <https://www.housing-ombudsman.org.uk/about-us/corporate-information/publications/our-consultations/>

¹⁹ [The Alternative Dispute Resolution for Consumer Disputes \(Competent Authorities and Information\) Regulations 2015, schedule 3, para 6\(d\)](#)

Awareness

93. The Government proposes to work with the housing redress sector to raise awareness of the redress options available for housing consumers. This would be done through better communication and the use of best practice guidance to set the expectation that information on routes to redress should be provided to housing consumers at the point of sale or let and prominently displayed at places of business. We will also work with the redress sector to explore ways to promote and direct consumers to advocacy services that offer support and advice.

Sanctions

94. The two Government-approved redress schemes The Property Ombudsman and the Property Redress Scheme in the private sector have the ability to expel members if they have committed a serious breach of the schemes' conditions of membership (often through non-compliance with a decision). A Memorandum of Understanding between The Property Ombudsman and the Property Redress Scheme precludes one scheme from taking on an agent expelled by the other²⁰. As it is unlawful for a person who engages in lettings agency work or property management work not to belong to a redress scheme²¹, this forms a powerful deterrent to non-compliance.

95. Since 2015, the rate of compliance with The Property Ombudsman's decisions has remained at or above 99%, and for the Property Redress Scheme, which deals with a smaller volume of cases, it has ranged from 86% to 94%²². Similarly, the level of compliance with the orders of the Housing Ombudsman for the social housing sector is high. In 2017-18, 99% of their orders were implemented within three months and 100% within six months²³. These statistics demonstrate a very high level of compliance and should give consumers confidence in redress.

96. As data suggests that compliance is already very high we therefore do not think that legislation is essential to better enforce their decisions at this stage. However, we propose working with the redress sector through the **Redress Reform Working Group** on what could still be improved further through existing powers, such as looking at minimum standards and exclusions from membership. We will consider options for legislative or regulatory reform to give redress schemes more teeth if necessary.

²⁰ Source: https://www.tpos.co.uk/images/documents/corporate-reference-policy-and-procedures/MOU-between-Redress-Schemes_August-2018.pdf

²¹ [The Redress Schemes for Lettings Agency Work and Property Management Work \(Requirement to Belong to a Scheme etc\) \(England\) Order 2014](#)

²² Source: Figures taken from [TPO's statistics reports](#) and [TPRS' annual reports](#) since 2015

²³ Source: [The Housing Ombudsman Annual report and accounts 2017-18](#)

Addressing the Gaps

97. Overall, the introduction of a single access portal for housing redress through the **Housing Complaints Resolution Service** would provide clarity and accessibility for the consumer, without having to approach numerous redress providers to get their issues resolved. The Government also proposes to work with the industry to understand how to deal with cases that fall across and between the remits of redress schemes through the **Redress Reform Working Group** and will keep under consideration the option of legislation to resolve this.
98. However, there are also specific gaps in services for the new build sector and in private renting and leasehold. We are proposing specific action in these areas to ensure wider access to redress services for buyers of new homes, private renters and leaseholders.

New Homes Ombudsman

99. It is clear from the responses that more needs to be done to strengthen consumer redress in relation to new build homes, and to drive up standards across the industry. The need for an easy, effective and independent body for consumers to go to is evident, and supported by the industry. A significant minority of respondents said that there is no current existing redress scheme which is best placed to deliver an ombudsman scheme for purchasers of new build homes.
100. There was very strong support in favour of purchasers of new build homes having access to an ombudsman scheme, and many respondents were in favour of such an ombudsman being statutory. We consider that the fastest way to improve redress is to work with industry and consumers to implement a better redress scheme for purchasers of new build housing as soon as possible.
101. We have announced proposals to ensure that a New Homes Ombudsman is established, working with industry and others. We will look to strengthen protection for the first two years after purchase when the majority of problems occur and minimise the variance in the levels of protection and schemes that are currently available. To ensure that consumers get the protection they deserve, we will introduce legislation to require developers of new build homes to belong to a New Homes Ombudsman, which will be underpinned in statute.
102. It is proposed that the New Homes Ombudsman would charge developers to ensure that the service is free of charge to buyers of new build homes.
103. Developers work across all nations of the UK. As the proposed legislation includes devolved matters, we will continue to engage and consult the devolved administrations to seek agreement to introduce UK-wide legislation.

104. We will consult on the detail of the proposed legislation to statutorily underpin a New Homes Ombudsman. This will include the approval mechanisms and standards that a New Homes Ombudsman must meet as well as whether a Code of Practice for developers should also be underpinned in legislation.
105. As we introduce statutory arrangements, we will work closely with industry and consumer groups to establish a voluntary **New Homes Ombudsman** ahead of legislation. We expect this ombudsman to be:
- Free to the consumer and funded by industry;
 - Independent from the organisations the ombudsman will investigate;
 - Fair in dealing with disputes;
 - Open and transparent and have public accountability through regular reporting;
 - And have effective powers to hold developers to account.
106. At Budget 2018²⁴, we announced that a new Help to Buy Equity Loan scheme will run for 2 years from April 2021 before closing in March 2023. We will establish the condition that housing developers must belong to a New Homes Ombudsman to participate in the new Help to Buy Scheme.
107. Although there are benefits to having competing redress providers as set out in the section on the Private Rented Sector which has an established redress system, it is clear that the number of schemes operating in the new build sector has created an unacceptable variance of standards and, as we have an opportunity to establish a new system without disruption to consumers and there is a need to reform all the existing schemes, we believe a single New Homes Ombudsman could solve these issues without unnecessary disruption. Our consultation will consider whether one or more organisations could provide a quality service to consumers under the principles above.

Private Rented Sector

Scope of mandatory private landlord redress

108. There is strong support for requiring all private landlords to belong to a redress scheme, regardless of whether they use an agent to provide full management services. This would ensure that all tenants have access to redress services in any given situation and that all complaints can be addressed. The Government is committed to extending mandatory membership of a redress scheme to all private landlords and will introduce primary legislation to this effect as soon as Parliamentary time allows.

²⁴ <https://www.gov.uk/government/news/budget-to-support-new-housing-high-streets-and-local-services>

109. The lack of access to redress for the residents of the 2,000 park home sites in England²⁵ was highlighted in the consultation. Our wider review of park home legislation²⁶ found that some site operators continue to take unfair advantage of residents, most of whom are elderly and on low incomes. Currently, if a site operator fails to meet their contractual obligations a resident has little recourse except via the First-tier Tribunal, and those who rent directly from the site operator also lack access to redress. We are satisfied that there is a gap in redress services for park home residents and are committed to extending mandatory membership of a redress scheme to all residential park home site operators.
110. Responses highlighted a gap in redress provision amongst students living in purpose-built student accommodation run by private companies. There are approximately 258,860 purpose-built student accommodation bed spaces provided by private companies²⁷, the majority of whom have signed up to a code of practice run by the National Code of Standards for Larger Developments Not Managed and Controlled by Educational Establishments (ANUK/Unipol)²⁸, which is linked to a Unipol-run redress system. While this means such students have better recourse to redress than many private rented sector tenants, this system is not sufficient to exempt this sector. The Government is committed to extending mandatory membership to a redress scheme to private providers of purpose-built student accommodation. We do not propose to require educational establishments that provide student accommodation (e.g. halls of residence) to belong to a redress scheme, given that students can access redress (including financial awards) via the Office of the Independent Adjudicator.

Implementation of mandatory private landlord redress

111. While many respondents said that mandatory redress for private landlords should be delivered through a new ombudsman, our priority is to ensure that all private rented sector tenants have easy access to high-quality redress as quickly as possible. We believe that the current system of redress provision for residential property agents, in which the Secretary of State can approve more than one provider subject to their continuing to meet statutory standards, is working. Multiple schemes operating to clear, consistent standards can help drive down costs to business and consumers, and when they compete for new business this will help accelerate the rollout of redress coverage. Having more than one provider can also reduce the logistical requirements that would be placed upon a single

²⁵ Source : <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN01080#fullreport>

²⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749770/Park_homes_Review_Government_response.pdf

²⁷ Source: <https://www.bpf.org.uk/sites/default/files/resources/BPF%20Policy%20Position%20-%20Selective%20Licencing%20in%20PBSA.pdf>

²⁸ See Annex A: Glossary

organisation tasked with redress for as many as 2.3 million²⁹ private landlords. Schemes have an incentive to innovate, and the system has resilience against one scheme withdrawing for whatever reason.

112. The existing redress landscape for property agents has extensive coverage and has met targets for timeliness while effectively supporting large numbers of consumer complaints³⁰. Replacing this system with a single redress provider would create unnecessary disruption for tenants, landlords and agents and could delay the roll-out of mandatory landlord redress. However, it is important to ensure that the number of schemes in the market remains manageable and operate to a consistently high standard to mitigate the risks seen in the new build sector where, as discussed above, there is an unacceptable variance.
113. When it comes to implementing mandatory private landlord redress, we want to build on and improve the current system of agent redress. To ensure there is better access for consumers and a greater consistency of standards we intend to consider applications to provide private landlord redress from a broad range of organisations capable of demonstrating the ability to deliver high-quality redress, rather than narrowly specifying a preferred type of organisation. We will develop an approval mechanism as part of legislation to deliver mandatory landlord redress, which will set out high standards that any prospective provider will need to prove they can uphold. Existing redress providers will not automatically be approved to provide redress for private landlords. There will be a level playing field and any organisation wishing to act as a redress scheme for private landlords will be subject to the same scrutiny.
114. We considered how mandatory landlord redress might be costed in light of the direction of travel outlined above. Although many respondents favoured a tiered system according to the number of properties a landlord lets, it would not be helpful for Government to mandate a fee structure where redress is to be provided by competing, external organisations. Redress schemes themselves will be better placed to determine a viable fee structure. However, schemes will be required to submit proposed fee structures to Government as part of the approval process and will need to demonstrate that their funding structure is reasonable, proportionate and sufficient to enable high standards of consumer redress.
115. Local housing authorities are required to enforce the current requirements for lettings agents to belong to a redress scheme, though in practice this is often delegated to trading standards teams at the county level as they are generally responsible for taking action against rogue letting agents. Local housing officers

²⁹ Source : <https://www.york.ac.uk/media/news-and-events/pressreleases/2018/the-evolving-private-rented-sector.pdf>

³⁰ Source: Figures taken from [TPO's statistics reports](#) and [TPRS' annual reports](#) since 2015

based within district-level (or unitary) authorities are currently responsible for enforcing most private landlord obligations.

116. Some respondents said local government was best placed to enforce the requirement to belong to a mandatory redress scheme. We agree and consider it should be enforced by local housing authorities. We recognise that this will be an additional requirement on local housing authorities' enforcement functions. We will explore enabling trading standards to enforce mandatory redress for private landlords and will work with local authorities to ensure that their officers are aware. We will support them to enforce any legislation effectively, for example, through guidance, and actively encourage joint working across enforcement teams.
117. The current maximum penalty for letting agents who fail to belong to a redress scheme is £5,000³¹. This is a common maximum fine for breaches of private landlords' obligations, including minimum energy efficiency standards and smoke and carbon monoxide regulations³². We agree that the maximum penalty for initial non-compliance with mandatory landlord redress should be £5,000 per breach and that private landlords should have a route of appeal to the First-tier Tribunal. We will explore stronger sanctions for multiple breaches of the legislation.
118. The regulation of property agents working group chaired by Lord Best³³ is considering a new regulatory framework for property agents and it is our ambition that this will make non-compliance with mandatory redress scheme membership more difficult for agents. Whilst a financial penalty for non-compliance is a proportionate sanction, we will continue to consider other options that could be taken to incentivise private landlords to comply with mandatory redress.
119. The *'Evolving Private Rented Sector: Its Contribution and Potential'* report estimates there to be 2.3 million private landlords in England³⁴. To ensure successful implementation we are committed to better communication to ensure that all private landlords are aware of the requirement to belong to a redress scheme. Ahead of implementing the legislation, the Government is also committed to:
- updating our 'How to Let' and How to Rent' guides³⁵ so landlords are aware of their legal obligations and making it clear that tenants can challenge poor practice.
 - working with the existing Tenancy Deposit Protection scheme providers to ensure their clients are aware of the requirement to belong to a redress scheme.

³¹ <https://www.legislation.gov.uk/ukxi/2014/2359/part/4/made>

³² <http://www.legislation.gov.uk/ukxi/2015/1693/part/4/made>

³³ <https://www.gov.uk/government/groups/regulation-of-property-agents-working-group>

³⁴ Source: <https://www.york.ac.uk/media/news-and-events/pressreleases/2018/the-evolving-private-rented-sector.pdf>

³⁵ <https://www.gov.uk/government/collections/housing-how-to-guides>

- working with the national landlord organisations to ensure their members are aware of the requirement to belong to a redress scheme.
- encouraging the legal profession and financial sector, such as probate lawyers and mortgage lenders, to inform clients and those who inherit a property of their obligation to belong to a redress scheme.

120. Private landlords can join either of the two existing redress schemes in the private rented sector now, or the Housing Ombudsman as a voluntary member. We will work with landlords to ensure that they are aware of their existing obligations and will encourage them to develop their own complaints handling procedures, engaging with tenants in the process. **We will also encourage them to sign up to a general code of practice, explaining their legal responsibilities and setting out what good practice looks like.**

121. Tenants will also need to be able, quickly and easily, to find the redress scheme to which their landlord belongs. The current redress providers for property agents, The Property Ombudsman and the Property Redress Scheme, provide a searchable on-line list of their members, while the Tenancy Deposit Protection schemes allow renters to use information about their tenancy to find where their deposit is protected; we envisage that prospective redress providers for private landlords will need to make information about their members similarly accessible. Moreover, we will require the schemes to provide information to the Government about their members and activities, including but not limited to:

- the number of landlords belonging to the scheme;
- how many complaints are received over a given period of time, and how quickly they are dealt with;
- total and average levels of financial award; and;
- the most common causes for complaint.

Our proposals for a **Housing Complaints Resolution Service** will address consumers' concerns about accessibility.

122. Some responses to various questions in this section suggested that the Government should do more to prevent retaliatory evictions where a tenant makes a complaint about their agent or landlord. Our consultation on *Overcoming the barriers to longer tenancies in the private rented sector*³⁶, which closed on 26 August 2018, included a question on the effectiveness of the protections against retaliatory eviction in the Deregulation Act 2015³⁷. We will respond to that consultation shortly.

³⁶ <https://www.gov.uk/government/consultations/overcoming-the-barriers-to-longer-tenancies-in-the-private-rented-sector>

³⁷ <http://www.legislation.gov.uk/ukpga/2015/20/section/33/enacted>

Leasehold

123. There was strong support for requiring all freeholders of leasehold properties to sign up to a redress scheme regardless of whether they use a managing agent or not. Currently legislation only requires membership of a redress scheme where the freeholder instructs a managing company to manage their property. Freeholders who carry out their own property management on their leasehold properties are not required to sign up to a redress scheme. Therefore, leaseholders whose freeholder does not use a managing agent have limited recourse for redress other than through the First-tier Tribunal. The Government is proposing to extend mandatory membership to a redress scheme to all freeholders of leasehold properties and will introduce primary legislation to this effect as soon as Parliamentary time allows.

Annex A: Glossary of terms

Alternative Dispute Resolution (ADR): A process for businesses and consumers to resolve disputes arising from the purchase of goods or services, which can be a cheaper and quicker alternative to the courts. Some of the ways a complaint can be handled are:

- **Arbitration:** A binding process where an independent third party evaluates a dispute and decides how it should be resolved. It is not generally possible to take cases to court once they have been arbitrated upon.
- **Adjudication:** Similar to arbitration, but it is generally possible to take cases to court after they have been adjudicated upon.
- **Mediation or conciliation:** An independent third party helps the disputing parties to come to a mutually acceptable outcome.

ANUK: The Accreditation Network UK is a central resource for tenants, landlords and scheme operators interested in accreditation of private rented housing.

Code of practice: An agreed set of written rules, which explains how people working in a particular sector/industry should adhere to

Consumer Code for Home Builders: A voluntary code of practice developed by the home-building industry and adopted by some home builders. The Consumer Code Independent Resolution Scheme provides ADR for Consumer Code members.

Consumer Code Independent Resolution Service: A home buyer can refer their complaint to the Independent Dispute Resolution Scheme after 56 calendar days have passed since first raising it with the home builder and no later than 12 months after the home builder's final response. The Independent Dispute Resolution Scheme is run by CEDR Ltd, the Centre for Effective Dispute Resolution.

The “democratic filter”: Residents must refer their complaint to a “designated person” – a local councillor, MP or tenant panel – or wait eight weeks after their landlords' investigation has concluded, before their complaint can be formally investigated by the Housing Ombudsman.

The Department: generic term used to refer to the Ministry for Housing, Communities and Local Government (MHCLG)

Estate agent: A person who carries out estate agency work as defined in section 1(1) of the Estate Agents Act 1979.

Freehold: The freehold interest in land is a title in property that can be held in England and Wales. In practice, a residential freehold interest applies to the outright ownership of land or property for an unlimited period and applies to the majority of houses.

Freeholder: A person or organisation who owns the property and the land on which it stands for an unlimited period (the freehold).

Housing Association: Non-profit organisation set up to provide affordable homes for those in need.

Housing Complaints Resolution Service (the service): A new single housing service to provide a single point of access for any housing consumers wanting to access redress.

Landlord: Either: in the private rented sector, the owner of a property who lets it to one or more tenants; or, in the leasehold sector, the owner of the freehold (or superior leasehold interest), who may also be called the lessor or freeholder.

Leasehold: A long leasehold is a form of property ownership normally used for flats that is simply a long tenancy, providing the right to occupation and use for a long period – the ‘term’ of the lease. This can be a period of over 21 years and the lease can be bought and sold during this term.

Leaseholder: A person who buys a leasehold property on a lease.

Letting agent: A person or company who is engaged by a private landlord to let rented homes on their behalf. A letting agent may also perform management duties on behalf of a landlord.

Local Housing Authority: Local government is responsible for a range of vital public services for people and businesses in defined areas. Local housing authorities are responsible for housing functions, including enforcement activities, within a defined local area.

Managing agent: A person or company appointed by the owner (or someone operating on their behalf) to manage that property, and their role may include, for instance repairs and maintenance. Managing agents operate in both the private rented and leasehold sectors.

New Homes Ombudsman: A proposed new service to protect the rights of purchasers of new build homes and provide free, easy and effective redress.

Office of the Independent Adjudicator (OIA): The OIA is an independent body set up to review student complaints, the OIA deals with individual complaints against Higher Education Providers in England and Wales.

Ombudsman Association: The Ombudsman Association is a professional association for ombudsmen and complaint handlers but is not a complaint-handling body. Its members have to fulfil certain criteria for membership. The association has no role in the internal working of member schemes nor any influence or jurisdiction over them.

Ombudsman schemes: Independent third parties, which provide ADR. Generally, to describe itself as an ‘ombudsman,’ a redress scheme needs to be either a statutory complaints organisation, or a non-statutory body certified as a provider of ADR and holding ombudsman-level membership of the Ombudsman Association.

Ombudsman Services: Property (OS:P): A private sector, not for profit, ombudsman scheme for property agents in sales, lettings and leasehold management, as well as for chartered surveyors. The scheme is authorised by the Ministry of Housing, Communities and Local Government, the National Trading Standards Estate Agency Team and the Chartered Trading Standards Institute to provide Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015. OS:P is a full member of the Ombudsman Association. OS:P announced in February 2018 that it would end its current arrangements in the property redress market citing the need to streamline service provision and reduce consumer detriment. OS:P withdrew from the property redress market on 6 August 2018 but continued its enquiries functions until the end of 2018.

Park Homes: or (mobile homes) are legally defined as caravans. There are about 85,000 park homes on 2,000 sites in England. Occupiers own their home which they occupy as their main and only residence on sites with residential planning permission. The park home operators will have a written agreement with the site owner under the Mobile Homes Act 1983, which gives them security of tenure and other rights.

Private registered provider: a registered provider of social housing that is not a local authority. Most are housing associations

Property agent: A generic term for estate, letting and managing agents.

Property Redress Scheme: A private sector, not for profit, consumer redress scheme for property agents in sales, lettings and leasehold management. The scheme is authorised by the Ministry of Housing, Communities and Local Government, the National Trading Standards Estate Agency Team and the Chartered Trading Standards Institute to provide Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015.

Purpose-Built Student Accommodation (PBSA): accommodation specifically designed to meet the needs of students, ranging from studios to flats with clusters of rooms, including shared living quarters and social spaces. The National Code of Standards for Larger Developments (NOT Managed and Controlled by Educational Establishments) run by ANUK/Unipol defines “larger development” as a development where 15 or more students live in one building in rooms off a central corridor, in cluster flats, or in self-contained flats.

Redress schemes: These are independent third parties who provide alternative dispute resolution (ADR) to remedy a complaint. However, a redress scheme is not necessarily an accredited ADR body and may not meet the membership criteria of the Ombudsman Association.

Tenancy Deposit Protection Schemes: All private landlords letting on assured shorthold tenancies are required to protect their tenants' deposits in one of three government-approved schemes within 30 days of taking the deposit. These are the Deposit Protection Service (DPS), MyDeposits and the Tenancy Deposit Scheme (TDS). Private landlords may ask a tenant to pay a deposit before moving into a property in case of any damage or unpaid bills at the end of the tenancy.

Tenant: A person who occupies land or property rented from a landlord.

The Housing Ombudsman Scheme: Approved by the Secretary of State under Section 51 of, and Schedule 2 to, the Housing Act 1996. Membership of the Scheme is compulsory for social landlords (primarily housing associations who are or have been registered with the social housing regulator) and local authority landlords. A number of managing agents and private landlords are voluntary members.

Local Government and Social Care Ombudsman: Handles complaints about councils and some other organisations that provide local public services. It deals with complaints about councils' wider housing functions, including homelessness and housing allocations. Complaints about councils' role as social landlords, including repairs and maintenance, are handled by The Housing Ombudsman.

The Property Ombudsman (TPO): A private sector, not for profit, ombudsman scheme for property agents in sales, lettings and leasehold management. The scheme is authorised by the Ministry of Housing, Communities and Local Government, National Trading Standards Estate Agency Team and the Chartered Trading Standards Institute to provide Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015. TPO is a full member of the Ombudsman Association and has adopted the Association's Service Standards Framework (which sets out best practice for ombudsmen schemes).

Regulator of Social Housing: Is a non-departmental public body responsible for the regulation of registered providers of social housing. As an arm's length body, it is operationally independent from ministers. It sets the Economic and Consumer Standards that registered providers of social housing are required to meet. The Regulator proactively regulates Private Registered Providers on their Economic Standards, but can only monitor and enforce the Consumer Standards on a reactive basis. It will only intervene on failures to comply with Consumer Standards where they have caused (or could cause) serious harm to tenants.

Trading Standards: Local authority departments (attached to county-level or unitary authorities) that investigate and enforce consumer protection legislation.

Unipol: A housing charity that provide assistance to students renting in the private sector, provide direct housing to students and run a number of student housing accreditation schemes.