

Baroness Taylor of Stevenage
Lords Minister for Housing and Local Government
Ministry of Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

20 October 2024

Dear Baroness Taylor,

Re: Renters' Rights Bill and redress

Congratulations on your appointment as Lords Minister for Housing and Local Government. I am contacting you to request a meeting to discuss UK Government proposals to introduce a new ombudsman service for private rented sector landlords as set out in the Renters' Rights Bill. I know you have discussed this matter briefly with Propertymark's Head of Policy and Campaigns at the meeting hosted by Matthew Pennycook before the Bill was published, but I hope we can find time in your busy schedule to discuss this matter in more detail now the Bill is making its way through Parliament.

Propertymark is the UK's leading professional membership body for property agents representing over 18,000 members in 12,800 branches. We want to strengthen redress in the housing market and ensure that any new measures are consistent and build on existing redress provisions in the property sector. As you will know it is estimated that there are 19,000 letting agents in England with just under half of all landlords using an agent to rent their property. We have long felt that membership of a redress scheme should be a requirement for landlords who are self-managing property only. Landlords who do not fully manage property often have other jobs and manage their rental property in their spare time. They are unlikely to have either a complaints procedure in place or the infrastructure comparable to a letting agent, or a landlord who is managing property on a full-time basis, when dealing with grievances.

Furthermore, to avoid confusion for consumers and allow them to engage with the redress process, we have also long felt that the UK Government should create an ombudsman portal for housing-related complaints. This entry point should have the capacity to redirect the consumer to their agent (or landlord) to exhaust the agent's formal complaint proceedings or direct the issue to the relevant ombudsman. Consumers want simple, quick and effective redress. A single ombudsman portal would allow for a clear and simple system for consumers to raise complaints about their home.

As you will also know, all property agents must join a redress scheme if they are a letting agent or property manager in England or Wales and an estate agent dealing with residential properties in the UK. However, before extending redress requirements to landlords or creating a new ombudsman service, we think there are existing problems with redress in the housing market that need to be addressed to support consumers and the sector:

- **It is not clear to consumers about who to raise a complaint with** - the consumer is unaware that they must complain to the agent before the redress schemes can act. We would be pleased to get clarity on whether this will be the same for landlords under the Renters' Rights Bill.

- **There are gaps in redress** - under the legal requirement for agents to belong to one of the two government-approved redress schemes, there is an assumption that all agents have a complaints procedure in place and will deal with matters in the same way and to the same timescales. A quick search of agent websites will show the difference in complaints handling procedures and a difference in how the information is presented.
- **The existing redress schemes are inconsistent in the way that they handle complaints** - for instance, out of the two government-approved redress schemes (The Property Ombudsman and Property Redress Scheme) only The Property Ombudsman has a Code of Practice that members of the scheme must comply with. This creates inconsistencies in standards for consumers.

Through addressing these issues before or at least alongside introducing a new ombudsman for private rented sector landlords, the rules and requirements will be more consistent for consumers using property agents but will also ensure that the policy platform for the introduction of a new ombudsman scheme for landlords is on the par with existing requirements for property agents.

Furthermore, we also think that the Renters' Rights Bill and the introduction of a requirements for landlords to belong to a new private rented sector ombudsman is an ideal opportunity to introduce mandatory codes of practice for the private rented sector which can bring clarity and consistency for adjudication but also help to set out clear standards of behaviour for landlords and agents. The introduction of a system of codes of practice, high level set of principles and practice specific codes were key recommendation of the Regulation of Property Agents Working Group that was Chaired by Lord Best.

We are very keen to work with you and officials to ensure that the reforms work and drive-up standards across the sector. I would really welcome an opportunity to discuss this matter in more detail with you and where we can help inform the UK Government's plans for reform of the private rented sector. Your office can contact Timothy Douglas, Head of Policy and Campaigns via timothydouglas@propertymark.co.uk or telephone 07920 588936.

I look forward to hearing from you.

Best wishes,



Nathan Emerson MNAEA MARLA MNAEA(Comm.)
Chief Executive Officer
Propertymark