

CIH response to Strengthening consumer Redress in the housing market



Chartered
Institute of
Housing

About CIH

Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals and their organisations with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: www.cih.org

CIH contact

David Pipe, Policy and Practice Officer, david.pipe@cih.org

CIH response to Strengthening consumer Redress in the housing market



Chartered
Institute of
Housing

Our response

CIH is clear that an effective redress service is essential to ensure that members of the public have the necessary avenues to raise complaints about housing organisations and to ensure that those organisations are sufficiently accountable for their practices.

We welcome the opportunity to respond to this consultation. We have not responded to each consultation question individually, we feel that other organisations will be better placed to provide a view on some of the matters of detail covered by the consultation. However we have provided some overall comments on the current situation, on the proposed changes and on the principles of a well functioning redress scheme.

The current situation

At present we consider that the social housing sector is well served by the current Housing Ombudsman. However we do retain some specific concerns about the way in which this scheme currently operates. These relate to:

- **accessibility** - at present complainants either have to access the Ombudsman service via a designated person or wait eight weeks after exhausting their landlord's internal complaints procedure. Although the introduction of the designated person was intended to encourage local resolution of complaints, we are concerned that in practice it has created an unnecessary delay which often prevents tenants from getting a swift resolution to their issues.

We suggest that government may want to take the opportunity provided by a fundamental review of the different redress schemes operating across the market to review this. The removal of the eight week waiting period would be consistent with the government's desire to remove complexity, to make the system easier to understand and to ensure greater parity between different parts of the market, as this kind of delay is not present in other areas.

- **ability to deal with systemic issues** - the role of the Ombudsman is primarily to deal with individual complaints, however they also have a vital role in highlighting recurring or systemic issues. Where the Ombudsman becomes aware of such an issue, they can refer it on to the Regulator of Social Housing. However unless the issue relates to an organisation's governance or financial viability, the regulator is only able to take meaningful action if there is a risk that it could cause 'serious detriment' to tenants. This is a high bar which means that in practice the regulator may be unable to act on issues raised by the Ombudsman.

While the remit of regulator is not within the scope of this consultation, it is important to note that this is a limitation of the current system.

CIH response to Strengthening consumer Redress in the housing market



In the private rented sector, we supported measures introduced by this government to require letting agents join a redress scheme. This has given many tenants a further avenue for complaints and, together with other measures like the introduction of deposit protection, has gone some way towards introducing greater accountability for agents. In a sector where standards are acknowledged to be highly variable, this is welcome.

However, as the government has acknowledged, this still leaves a large section of the market uncovered, as the requirement does not currently extend to landlords who manage their own homes directly.

Proposals for change

We welcome the government's plans to require all private landlords to also join a redress scheme.

We would suggest that landlords should be able to meet this either by directly joining a scheme themselves or by employing a managing agent. There would be little value in requiring those landlords who already employ an agent to also join a scheme, this would merely create duplication and may also be confusing for tenants.

It is important to recognise that most landlords are small scale, part time operators. Most only rent one or two properties. A key question therefore is what standards a redress scheme will use to come to their determinations? The Housing Ombudsman routinely uses a landlord's own policies and procedures when determining whether a complaint has been adequately dealt with. However this will clearly not be possible with small scale landlords who will not generally have written policies or a formal complaints process.

We have previously argued that both private landlords and tenants would benefit from the creation of a single, simple set of minimum standards that can be easily understood by all. We consider that this would support the creation of an effective redress scheme for the sector, by providing a clear set of expectations which could be used in arriving at decisions.

We also agree that there is some potential to simplify current arrangements and to improve consistency between different parts of the market, either through the creation of a single Ombudsman or by standardising some elements of how different schemes operate - such as remits, response times and whether and how decisions are made public.

It seems likely that in practice different officers/teams will need to work on complaints about different parts of the market, as some level of specialist knowledge will be required and as (for example) social and private landlords are unlikely to work to the same set of expectations on all issues. However we do not consider that this necessarily prevents a 'single front door' approach, as set out in the consultation paper, or some degree of standardisation with regards to remits and processes across a range of specialist schemes.

CIH response to Strengthening consumer Redress in the housing market



In considering this, we would encourage government to bear in mind that the current Housing Ombudsman is broadly fit for purpose and does not need substantial reform. Any changes across the market as a whole should aim to retain those parts of the system that are already working effectively.

The principles of a well functioning redress scheme

We have not responded to specific questions about issues like fees and timescales as we feel that others will be better placed to consider these matters of detail. However, in more general terms, we feel that whatever option is ultimately preferred any redress scheme(s) operating in the sector must be:

- **Accessible** - services should be free at the point of use and easy to access. It is reasonable that complainants should be required to have exhausted the organisation's own internal complaints process (where one exists) before escalating their issue, but other unnecessary barriers or delays should be removed
- **Transparent** - the scheme's decisions should be made public and its remit and processes and timelines should be clearly understood by all parties
- **Have some powers of enforcement** - the scheme should be able to make clear recommendations where it considers that a complaint has not been properly handled and it is essential that there are mechanisms in place to ensure that these are acted on
- **Have a role in identifying systemic issues** - although any redress scheme will primarily be designed to handle individual complaints, they also have a vital role in identifying recurring or systemic issues. There should be clear processes in place to enable these to be escalated to relevant third parties (like a regulator or local authority)
- **Have some role in promoting positive practice** - similarly we consider that schemes should take a proactive role in promoting good practice within the sector, both in relation to effective complaints handling and through the publishing of decisions which will be a benefit to others.