

CIH's response to the Housing Ombudsman Service's consultation on its 2024/25 business plan

Introduction

The Chartered Institute of Housing (CIH) is the professional body for people who work in, or have an interest in, housing. We welcome the opportunity to provide comments on the Housing Ombudsman Service's (HOS) business plan for 2024/25.

CIH acknowledges the continuing and important work that the HOS do in encouraging better complaints handling performance by landlords and providing dispute resolution and redress. The growing proportion of maladministration in the cases the HOS has determined underlines the need to understand the drivers of complaint volumes and support the social housing sector to improve local complaint handling.

Accordingly, we broadly support the HOS's strategic plans for 2024/25. We especially welcome the emphasis on improving local complaint handling through the statutory Complaint Handling Code, as well as providing a range of learning tools to deliver tailored support to social landlords of different sizes and roles, especially through the enhancement of the Centre for Learning and the issuing of good practice reports from reviews.

In what follows, we provide specific and constructive comments on certain aspects of the consultation document, and would welcome the opportunity to discuss this further with representatives of the HOS. We have answered only those questions where we can provide an informed response.

Answers to consultation questions

What learning tools can we provide that would be useful in addressing these barriers?

What would be the most effective format for these tools, for example, webinar, podcast or video?

The feedback of individual social housing providers and their representative bodies will be central to understanding the challenges in dealing with stage one and stage two complaints, and the appropriate tools that can facilitate good practice in this area.

However, in our work and discussions with CIH members, we have obtained indications that the HOS's current tools and methods of sharing best practice are appropriate and effective. The HOS's spotlight reports have enabled focused learning on specific types of complaints, and social housing providers are increasingly using them to review and rewrite internal policies and procedures. For example, we are aware that some providers have reconstructed noise complaint policies on the basis of the recommendations in the HOS's spotlight report on noise, and many have also constructed bespoke (or larger) teams to tackle damp and mould following the two spotlight reports on this issue.

Further, the HOS's webinars are an effective way of disseminating learnings to a wide audience of social housing professionals. Beyond developing and teaching good practice in complaints handling processes, they encourage reflections from a wide range of professionals on their role in supporting residents and inform them of their responsibilities as representatives of social housing providers.

We therefore feel that the HOS's existing tools are appropriate and effective, and placing them in a central repository as part of the new learning platform will provide a 'one stop shop' for social housing providers to improve complaints handling processes.

Should we differentiate our tools by:

- a. Landlord size?**
- b. Landlord type?**
- c. Role in the landlord, i.e. complaints team, executive and member of the governing body?**
- d. Something else - please state**

We agree that it would be beneficial for the HOS to differentiate learning tools to improve practice for different kinds of social housing provider. While the format of learning tools may not need to be differentiated, different kinds of providers will have divergent approaches to complaints handling and compliance depending on their size and the communities they serve. Differentiating learning tools will help landlords, in cooperation with residents, to look at how they might apply the good practice to their own particular contexts (e.g. according to their structure, operational systems, and/or residents' priorities for example).

Smaller providers in particular, may have unique systems, processes and approaches to compliance that would benefit from targeted learning and engagement. We therefore feel that any submissions to the HOS's consultation from smaller housing providers on additional ways that they can be supported should be given distinct consideration. The same is true of alms houses, supported housing providers, and other specialist providers.

We would also welcome the differentiation of tools by role in the landlord. Sharing good practice and facilitating learning among complaints teams is critical, and we also feel there is a significant opportunity to engage with teams, directorates, and operatives working across asset management and repairs and maintenance roles.

Professionals working in housing officer or approximate roles also have an important role in talking to residents about their concerns and complaints, and developing good practice on the role of the housing officer in the complaints handling process would be very welcome.

Finally, and especially in the context of an increasing proportion of maladministration decisions by the HOS, driving improvements in local complaints handling must come from senior executives and board members who are ultimately responsible for the governance of housing providers. There is an opportunity to engage with executives on the importance of the complaints handling role reaching statutory footing, and emphasising their role in ensuring compliance within their own organisations.

Do you think the fee regime should include some form of a 'polluter pays' model - yes or no?

No, we do not agree with the introduction of a 'polluter pays' model.

If no, please indicate why you prefer the existing model

The recent introduction of the new regulatory regime throughout the social housing sector covers a wide range of areas. The Social Housing (Regulation) Act 2023 introduced new standards of consumer regulation, which are now in force as of 1 April, and government is undertaking wider work to improve quality and decency in the sector, including the forthcoming introduction of Awaab's Law and the Competence and Conduct Standard for social housing.

Once implemented, it is likely these policies will result in improved outcomes for residents and be reflected in the HOS's work on disputes and resolution. In addition, the strengthening of the roles of both the Regulator of Social Housing (RSH) and the HOS within this framework means that there will be increased oversight and accountability in the sector. This is particularly the case with the new [consumer standards](#) and regulatory framework which began on 1 April, which includes the financial disincentive of unlimited fines.

In this context, it is not clear to us that a 'polluter pays' model is an appropriate means of driving improvements in local complaints handling. Given that a larger number of complaints reaching the HOS is not automatically an indicator of malpractice (e.g. it may

reflect specific efforts among individual landlords to promote the HOS widely to their residents), any 'polluter pays' model would need to be linked to maladministration determinations, not quantity of complaints.

As of 1 April, social landlords already have two financial incentives to improve local complaints handling and avoid maladministration. These are the possibility of regulatory action and its resulting fines, and the possibility of compensation payments being made to residents as a result of maladministration determinations from the HOS. This means that the aim of using the fee regime to drive improved complaints handling is effectively replicating incentives that already exist.

In addition, there is a possibility of unintended consequences arising from the introduction of a 'polluter pays' model. The draft business plan acknowledges the pressures of the current operating environment for landlords, and the RSH [has recently underlined](#) that the sector is experiencing constrained resources and increased uncertainty in the current financial climate. In this climate, we would be concerned that a fee regime of this kind could curtail the revenue available for investment and improvements in service delivery among landlords that most require it, potentially reducing the quality of service provision.

Specifically, there is a possibility that, if landlords pay fees in proportion to the number of complaints or maladministration findings that they are responsible for, the ability to invest among landlords who need to improve their local complaints handling processes the most could be constrained even further. These fees will ultimately be paid from revenue raised from rent, and residents may question whether their rent is meant to be used to cover these fees, rather than improving services. Residents would effectively be impacted twice, through poor service delivery to reach the complaint stage, and then through reduced service improvements due to constrained landlord investment. Feedback we have received from CIH members working in the local authority sector has raised this as a particular concern, and the Local Government Association (LGA) has [previously emphasised](#) that pressure on the Housing Revenue Accounts (HRAs) of individual local authorities is affecting their ability to fund the investment that is required to improve social housing services.

There is also the possibility that a 'polluter pays' regime could result in:

- A rise in appeals against maladministration determinations, as providers may have a greater incentive to dispute findings due to their associated fees. This could also have a knock-on effect of delaying resolutions for residents.
- A perceived conflict of interest in HOS decision making and determination, if HOS income is linked to the number of maladministration determinations it makes.

Overall, we therefore feel that the prospective introduction of a 'polluter pays' model would replicate existing financial incentives to improve local complaints handling and risk unintended consequences that would ultimately be contrary to the aims and objectives of the HOS. It is likely that existing policies of compensation and redress, accompanied by increased regulatory oversight of the sector, will better meet the objectives of improving performance and service delivery by landlords. As a result, we feel it is most appropriate that the fee regime continues to be socialised across the landlord base.

Do you have any other comments on the fee regime?

We would note that even if a 'polluter pays' model is not adopted, the increase in fees proposed in the business plan will place further financial pressure on the social housing sector at a time when resources are already constrained.

Do you have any comments on our draft 2024-25 Business Plan?

We are broadly supportive of the 2024/25 business plan. We particularly welcome the emphasis on improving local complaint handling through the statutory Complaint Handling Code. We also support the ongoing focus on implementing the final stages of the 2022/25 strategic plan, especially the dedicating of more resource for supporting residents upfront and addressing resident complaints that have not been recognised or advanced by providers. Furthermore, ensuring that the HOS's service is inclusive and accessible remains a key pillar of work, and we welcome the ongoing commitment to embedding the work of the Access programme within the HOS's entry routes.

In addition to the above, we would like to provide two more substantive comments that we hope the HOS will consider in developing its work.

Firstly, it is very welcome that the HOS will continue to engage with advocacy and advice agencies to improve their knowledge and understanding of its services. It is vital that advice agencies have a good understanding of the HOS's work and suitable pathways for referring or signposting their clients to the HOS where appropriate. This is especially the case for advice agencies working with vulnerable residents, who may struggle to engage effectively with the structures and processes of their providers' complaints handling process.

We think there is a significant opportunity for the HOS to expand this engagement to organisations beyond Citizen's Advice and Shelter. Given the [evidence](#) on complaints that arise from issues relating to heating and hot water, [ongoing pressures](#) on social housing residents stemming from energy (un)affordability and the cost of living, and the [links](#) between cold indoor temperatures and damp and mould growth, it is likely that energy advice agencies would benefit from a greater understanding of the HOS's remit. This

could include charities who support people with energy bills as part of a broader specialist remit, such as Age UK.

Similarly, [research](#) by the ONS found that in February and March 2024, of the 46 per cent of adults in Great Britain reporting their cost of living had increased compared to a month ago, 16 per cent said they were using more credit than usual as a result. The debt advice charity StepChange [supported](#) around 19,000 debt advice clients in January 2024, an increase from around 11,500 in December 2023. While we do not have data on the number of social housing residents accessing debt support, the number is likely to be significant.

There is therefore an opportunity for the HOS to engage with organisations such as StepChange, Money Advice Trust, and others to enhance their understanding of the HOS's work. Issues with debt, affordability, housing insecurity, and poor complaints handling practice by housing providers are not experienced in isolation by social housing residents, and the greater number of advice agencies that are aware of the HOS's role and remit will increase the probability of residents receiving appropriate redress following a referral.

Secondly, we welcome the HOS's intention to undertake discovery into the opportunities for artificial intelligence (AI) and automation in its casework processes. This mirrors steps being taken in the social housing sector to use AI and machine learning processes to improve asset management. We would encourage the HOS to include in this discovery a thorough analysis of ethical practice in incorporating AI into decision making processes.

Specifically, while AI could significantly streamline triage and early categorisation of cases, its use comes with challenges relating to accountability, responsibility, and transparency. To give an indicative example of work from a different field, the Committee on Publication Ethics (COPE) has published [guidance](#) on the use of AI in decision making. It highlights that accountability is required to ensure AI tools are non-discriminatory and fair. It also notes that the responsible use of AI requires human oversight, checks, and monitoring, and that technical robustness and rigorous data governance is required to ensure transparency.

Ultimately, AI should provide support for individuals to make informed decisions in accordance with their role. We feel that the use of AI could offer significant benefits, but the development of a transparent, ethical framework governing its use will be required to ensure that the sector has visibility and confidence in any future use of it in HOS casework.

About CIH

The 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. 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 twenty countries on five continents across the world. Further information is available at: www.cih.org.

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