

**P-04-529 A Letting Agents Ombudsman for Wales – Correspondence from the Petitioner of an email exchange with a Government official, 30.09.14**

On Fri, Jul 11, 2014 at 10:13 AM, Baglow, Gareth (SF – Housing&Regen–Housing Policy) wrote:

Liz

Many thanks for your letter to the Minister for Housing and Regeneration. I have been asked to respond on his behalf.

I have read your recent reports *Letting Agents: The Good, the Bad and the Ugly* and *Fixing the Private Rented Sector*. We sympathise with the stories contained in your reports. It is evidence like this that led to the Government commitment to improve the standards in the private rented sector. It seems that you are actually campaigning for exactly what Part 1 of the Housing (Wales) Bill will be introducing.

The new regulations are not voluntary, they are mandatory. They will require each and every landlord in Wales to register the details of every property they own and let with the licensing authority. This will involve a registration fee. The property must then be managed by a licensed person. Licensing will involve a “Fit and Proper Person” test, which will ensure that nobody with any unspent relevant convictions can manage a letting. They will then have to attend a training course. Becoming licensed will also attract a fee. Maintaining a licence will be dependent on abiding by a Code of Practice. Landlords will have a choice of whether to become licensed themselves, or to appoint a licensed agent to carry out the letting of a property.

Although the Code of Practice is yet to be compiled, it is hoped that it will contain provisions for agents to maintain professional indemnity insurance, client money protection insurance and to have a clear complaints procedure with redress ultimately to an appropriate Ombudsman.

Breaches of any part of the requirements of the scheme will carry penalties, up to and including the removal of the person’s right to issue a Section 21

eviction notice, and revocation of a licence, which will remove the ability to manage any rental property in Wales.

Tenants / prospective tenants will be able to check on the licensing status of any landlords or agents through the licensing authority. They will also be able to establish whether a property is being let by a person licensed through the scheme. The licensing authority will be the place where a tenant can go should they have any problems with their landlord breaching the terms of their licence or the rules of the scheme. The plan is to provide tenant information packs which will explain exactly what a tenant's rights, roles and responsibilities are, and also provide details of how to raise complaints should the need arise.

So, in short, this scheme will provide councils with list of every single rented property in Wales, which they simply do not have now. We will also know who the landlord of each and every property is, again which we do not now know. It will also give us an assurance that each and every rented property is being managed by a person or agent who has complied with both a "Fit and Proper Person" test, and with both the training and code of practice requirements of the scheme. This goes much further than what is being proposed in England, and the existing registration arrangements in Scotland, which do not, contrary to claims otherwise, involve any licensing of landlords or agents.

Aside from the two main public consultations and the specific consultation on the PRS proposals, the scheme was developed with the involvement of a wide range of stakeholders, including tenant representation from Shelter Cymru, Welsh Tenants, Citizens Advice and NUS Wales. These organisations publicly supported the proposals in Part 1 of the Housing (Wales) Bill through the recent scrutiny sessions.

I do hope that this addresses your concerns in terms of what the provisions in the Housing (Wales) Bill are.

Regards  
Gareth Baglow

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Dear Gareth,

I'm sorry for the delay in replying – we wanted to circulate your response to other private renters to gather feedback and there are limited resources in a voluntary organisation.

I'm grateful for the information you outline. Let Down is supportive of the idea of a licensing scheme, but we simply don't think it goes far enough. We have concerns as to how it will be enforced and what the implications will be (if any) for landlords who do not seek licensing. Furthermore, there is not currently enough information available on how authorities will ensure that every landlord in their area is registered.

In order to more fully address our concerns, we have a few questions which we'd be grateful if you could answer:

- When is the Code of Practice expected to be compiled by?
- What will the penalties be for landlords who do not abide by the Code and will they be according to severity?
- Which Ombudsman do you envisage the complaints procedure ending up with? Is this to be a new Ombudsman or an existing one?
- How will the individual local authorities' licensing schemes be affected by Local Government reform?
- Presuming that many landlords may not live in the same authority as their property, which authority will govern them – the area with the property or the area with the landlord's home address? For example, how would like work with landlords based in England?
- How will tenants get hold of information packs and how will they be promoted?

- Will there be somewhere online for tenants to go for information and advice?
- Will any regular Welsh Government statistics be produced using the information that the licensing arrangements will gather?

We regret that the Housing (Wales) Act did not go as far as we'd like, but we do welcome moves towards holding rogue landlords to account and improving conditions for renters. The standardisation of contracts is also welcome, as proposed for the Renting Homes Bill, although ultimately we maintain that a new Ombudsman would be the best way forward as someone that can promote tenants' interests, provide reliable advice, and give tenants a form of clear recourse when needs be.

A further concern regards the prevalence of letting agents' extortionate fees – is the Welsh Government planning any action to tackle this? Finally, many renters are left with an even more limited set of properties to choose from when they are in receipt of housing benefit, with the vast majority of landlords and agents discriminating with an aggressive 'NO DSS' warning on their advertising. This is a particular issue within the context of UK welfare reform which the I know Welsh Government does not support.

We understand that this work is in progress, and there are limits on the Welsh Government's ability to act in some areas. However, if they are to deliver what they have stated they wish to achieve within the housing sector, these points should be addressed.

Kind regards,  
Liz

P.S. I've also CC'd this into the Petitions Committee who are considering our campaign.