Resetting the balance of rights and responsibilities between landlords and tenants

Citizens Advice formal consultation response

Introduction

Citizens Advice provides free, independent and impartial advice to anyone who needs it. We are the statutory advocate for energy and post consumers and run the national consumer helpline. Last year we helped 2.7 million people with 6.3 million problems.

We are pleased to respond to the consultation on 'A New Deal for Renting: Resetting the balance of rights and responsibilities between landlords and tenants.'

We welcome the government's intent to increase security for 4.5 million privately renting households by abolishing section 21 grounds for possession. The ending of private sector tenancies is the leading cause of homelessness in the private rented sector,[1] and an unfair tool used by landlords to put tenants at risk of retaliatory evictions. Almost 3 in 5 tenants (57%) who have received a section 21 eviction notice had made some kind of complaint or request for repairs in the six months before receiving it.[2] Done well, this legislation will be a sea change for renters.

However, we have several concerns arising from this consultation's proposals on how assured tenancies will be managed and enforced. Our primary concerns are:

- **The option to retain fixed-term tenancies and break clauses undermines the government's intention to create indefinite tenancies and increase security for renters.** Retaining fixed-term tenancies could lead to increased harm for tenants due to unexpected changes in circumstances - for example, a relationship breakdown. Break clauses could also be used as a backdoor to unfair and revenge evictions in lieu of section 21 notices. Government should remove the option for these to be retained.

  Indefinite tenancies with amended (or stronger) Schedule 2 grounds would be a preferred way to strike the right balance between landlords and tenants' rights.

- **The proposed changes to Schedule 2 rent arrears grounds will have a disproportionate impact on tenants facing chronic debt or who receive Universal Credit.** This is because tenants in chronic debt will struggle to

[1] National Audit Office, Homelessness, 2017
[2] Compared to less than a quarter of those who had not (22%). Citizens Advice, Touch and Go, 2018

reduce their debts and be at greater risk of eviction. Universal Credit recipients will also be affected by the 5-week wait before receiving their benefits, and be more likely to fall into more than a month of rent arrears as a result. Government should not proceed with these changes.

- **Government should make sure appropriate safeguards are in place and that any new grounds are watertight.** This is to make sure that tenants are protected from illegal evictions, unscrupulous landlords do not exploit the new legislation, and to ensure that any new grounds are not a de facto section 21.

- **Tenants need adequate time to get representation and advice.** Especially in the context of accelerated procedures, and for mandatory grounds if accelerated procedures are retained.

- **Government should make sure that other provisions linked to the validity of section 21 notices are extended to section 8 grounds.** The validity of section 21 notices are dependent on landlords fulfilling certain legal responsibilities - for example, securing deposits, providing an energy performance certificate and annual gas safety checks. These provisions have often acted as a defacto safeguard for tenants to enforce their rights and should be extended to section 8 grounds.

- **It's crucial that legislation, such as the Tenant Fees Act 2019, is updated to make sure it applies to the new regime.** As it stands, the Act applies to assured shorthold tenancies. If these are abolished - as the government proposes - tenants will lose these safeguards.

- **This legislation will only work if the new rules are properly enforced.** We believe a national body should be established to set consistent standards across the sector beyond those set out in legislation, and make sure they're proactively enforced.

To inform this consultation response we have used evidence from our expert legal advisers, and from our network of local Citizens Advice advisers in addition to external sources. We have provided specific responses to those questions most relevant to our work and research.

Throughout this consultation response we touch upon the need for a national housing body responsible for setting consistent standards and enforcement. More information on this can be found in our report: Getting the House in Order, published in June 2019.

This response is not confidential and may be published in full on your website.

Kind regards,

Hannah Poll
Policy Researcher

Formal response

The end of section 21 evictions

Assured shorthold tenancies

Question 1: Do you agree that the abolition of the assured shorthold regime (including the use of section 21 notices) should extend to all users of the Housing Act 1988?

Yes. There is no reason that social tenants should be subject to possession orders without valid grounds for eviction being proven. All renters should be given adequate protection from unfair eviction.

Question 2: Do you think that fixed terms should have a minimum length?

For this legislation to work, government should introduce blanket indefinite tenancies with the provision for tenants to provide 2 months' notice. There should be no fixed-term contracts.

Not all tenants will be in circumstances in which a fixed-term contract is suitable. Tenants may face situations where it's necessary for them to move out before the end of a tenancy contract. For example, in cases of relationship breakdown or domestic violence, or where personal circumstances mean it is necessary to move geographical location because of employment, affordability, or familial reasons.

In these cases, being unable to move out risks damaging tenants' mental and physical health and may limit opportunities for social mobility. For example, if tenants need to move to pursue job opportunities or further education. For other tenants, such as students who need a time-limited rental, indefinite tenancies would enable them to begin a tenancy without the fear that the rental market will be closed off to them. They would still be able to provide their landlord with 2 months' notice ahead of moving out of the property.

This would negate the need for tenants to have their own form of break clause while also giving potentially vulnerable tenants the flexibility they need. Maintaining a 2-month notice period is a reasonable period in which landlords will be able to replace tenants.

Introducing indefinite tenancies would make communicating these changes easier when legislation comes into force, and will make it easier to spot instances of non-compliance. For example, it was difficult to communicate the Tenant Fees Act to clients, as it applied to some tenants from 1 June 2019 and to others on 1 June 2020. Having clear, concise rights apply to all tenants will help to simplify the rental market for them.

Question 3: Would you support retaining the ability to include a break clause within a fixed-term tenancy?

No. To redress the power imbalance between landlord and tenants, government should introduce indefinite tenancies. By introducing 2-month notice periods for tenants and revised section 8 grounds for landlords to evict when necessary, there is no need to retain a break clause for either landlords or tenants.

We're concerned that landlords will use break clauses and "getting to know you" periods as an opportunity to unfairly evict tenants. This would act as a backdoor version of a section 21 notice and put tenants at risk of being evicted on discriminatory grounds, or as retaliation if they report problems. Reintroducing break clauses would undermine the government's intent of improving security of tenure for tenants, and be counterintuitive to the removal of section 21 notices.

Landlords will still be able to use section 8 grounds to evict tenants without having to use a break clause. Landlords should be encouraged to use these channels as opposed to defaulting to using a break clause to ensure appropriate safeguards. This would increase understanding among landlords about the processes available to evict tenants and how to properly follow them, and subsequently develop trust between landlords and tenants that protocol will be followed.

Despite claims from landlords that break clauses would allow them to protect their properties from tenants who may not take care of them, we have not found evidence that this behaviour is common enough to justify allowing landlords access to a clause that would allow them to unfairly evict tenants and bypass safeguarded processes. Analysis from the Deposit Protection Scheme shows the average amount returned to the tenant is 75% of the original deposit value.[3] This is not

[3] Citizens Advice, Banning letting agent fees paid by tenants consultation, 2017

indicative of a market where tenants are routinely destroying properties - retaining a break clause for this purpose is a disportionate response.

If break clauses are retained, government's proposals will not place tenants in a stronger position when seeking redress. It would still place them at risk of retaliatory eviction.

We know that tenants are facing the brunt of problems with properties. 60% of tenants have experienced disrepair, and of these 1 in 5 don't have it resolved in a reasonable amount of time. This is despite 1 in 6 tenants experiencing disrepair issues saying it was a major threat to their health and safety, and almost half saying it had a major impact on their comfort.[4] Concerningly, tenants who complain to their landlord are twice as likely to receive a section 21 notice as tenants who have not.[5] If landlords are able to use break clauses as a "getting to know you" period, tenants experiencing disrepair will be left at risk of being evicted as retaliation for reporting problems.

Break clauses would mean that tenants like Scarlet will still be at risk of retaliatory evictions. Scarlet and her 5-year-old daughter were renting a house with dangerous levels of disrepair. Her landlord issued her with a section 21 notice after she complained.

Scarlet experienced problems with the electrics, plumbing, and damp. These issues were present from the moment Scarlet moved in, and put her and her daughter's health and safety at risk.

Scarlet immediately asked her landlord to fix this disrepair, but they were unhappy about her requests and refused to fix damage to walls and floors caused by the damp. Soon after, Scarlet received a section 21 notice, which she suspects was because of her complaints. This caused her anxiety that she wouldn't be able to find anywhere else for her and her daughter to live.

If the government is serious about improving tenants' rights, then break clauses and fixed-term tenancies must be removed from its proposals.

[4] Citizens Advice, Getting the house in order, 2019
[5] Citizens Advice, Touch and Go, 2018

Bringing tenancies to an end

Moving into the property, widening the scope of ground 1

Questions 4 - 11.

We agree in principle that landlords should be able to gain possession if their family member wishes to use the property as their own home. However, this will need significant safeguards from the outset of a tenancy to prevent landlords abusing the ground.

To safeguard against this, landlords should be prevented from letting out a property for 6 months after a possession order is obtained. This order should have accompanying paperwork demonstrating the point at which it was obtained. This paperwork should be shared with an overseeing national body - as we have called for in our report '*Getting the house in order*' to make sure proper protocol is being consistently followed. In the absence of a new national body being established, a Lead Enforcement Authority should be appointed, as has been done with Bristol City Council to enforce the ban on tenant fees.

Where possible, landlords ought to give a tenant prior warning at the beginning of the tenancy and give reasonable notice that they may seek possession under ground 1 in order to use it. For example, if a landlord knew they were working away for 2 years and wanted to rent the property for that time period. Having this conversation early on could help to build trust between both parties. If the landlord does wish to seek possession under ground 1 the tenant will need to have appropriate notice, such as 2 months, as detailed in their tenancy agreement.

Government should introduce a national housing body to make sure nationally consistent standards are set at the start of a tenancy, landlords get the support they need, and legislation is enforced. For example, evidence that a family member is genuinely moving in could be provided to this body. The body could carry out spot-checks to assess how often landlords are intending to seek possession to move family members into homes and whether this change is genuine. This would identify landlords who are potentially abusing this system and misleading tenants. Where these practices are happening, banning orders or fines could be issued as sanctions.

Introducing additional safeguards from the outset of a tenancy would mean that both parties will know exactly where they stand, and the extra security that this grants to tenants will mean that the problems that our clients face can be avoided. This would also help to develop trust between tenants and landlords from the beginning of a tenancy. Failing to implement these additional safeguards would enable landlords to continue using ground 1 in lieu of section 21 notices.

This should be a mandatory ground requiring court involvement. The risk of this ground being abused by unscrupulous landlords is too high for possession orders to simply be issued without additional scrutiny. Court should be able to consider other issues. For example, a landlord may have another property that the tenant could move into. The court may also wish to consider providing the tenant with more time to move if they are vulnerable.

To make sure tenants truly reap the benefits of indefinite tenancies, we agree that landlords should not be able to gain possession of their property within the first two years of the first agreement being signed if they or a family member want to move into it by default. Introducing a system whereby a landlord could move a family member in shortly after a rental agreement is signed undermines what the government is trying to achieve by resetting the balance of rights and responsibilities between landlords and tenants.

The Homelessness Code of guidance will need to be amended to reflect any changes. For example, to ensure that someone with this type of notice is considered homeless, or threatened with homelessness.

Questions 12 - 16.
We cannot support this new ground unless significant safeguards are introduced to prevent this ground being used as a substitute to section 21 notices.

Where possible, landlords ought to give a tenant prior warning at the beginning of the tenancy and give reasonable notice that they may seek possession under ground 1 in order to sell it/or notify the tenant that they intend to sell with the tenant in situ. Open communication from the start of the tenancy will help to build trust between the two parties. If the landlord does wish to seek possession under ground 1, the tenant will need to have appropriate notice, such as 2 months, as detailed in their tenancy agreement. The notice must be fully

communicated, clearly evidenced, and contractually binding. Landlords should not be able to use this ground within the first 2 years of a tenancy.

Offering these extra protections would give tenants like Danica more security when their landlord wants to sell their home.

Danica had been living in a flat with her 6-year-old son and her 65-year-old mother for 18 months. Her son has serious health issues and was attending a local school. She received a section 21 notice because her landlord was selling the property.

Danica became stressed and confused about whether she'd be able to stay if the flat was sold. She started searching for other properties, but wasn't able to find any that were suitable. She considered sending her mother and son back to Poland so that they wouldn't be homeless.

As mentioned in our previous answer, an overseeing national body should be established and be given sufficient evidence that tenants have been provided with:

1. Notice that the landlord may seek possession to sell in order to use this new ground, and/or notify the tenant they intend to sell with the tenant in situ.
2. Notice that the landlord intends to sell the property - this should be done as soon as the property is put on the market.
3. 2 month's notice to gain possession.

The national body should also have evidence that the property has been put up for sale, or that formal discussions have taken place with a private buyer to purchase the property.

Landlords who cannot provide all of this evidence should not be able to use this new ground. Allowing landlords to seek possession of a property without adequately monitored supporting evidence would undermine the abolition of section 21 notices and be counterintuitive to making tenancies more secure, as tenants would be at risk from landlords who have no intention of selling their property claiming to be doing so.

Government should also consider whether the notice period should increase the longer the tenant has been in the property. For example, if a tenant has been in a property for 6 years and has children at a local school, the notice period should increase to 6 months to ease relocation and upheaval on the tenant. This would

also encourage landlords to sell with tenants in situ, minimising disruption on the lives of tenants.

This should be a mandatory ground requiring court involvement. The risk of this ground being abused by dishonest landlords is too high to take at face value. Landlords who cannot provide genuine evidence that they are selling a property should not be permitted to use this ground. And as with landlords wanting to move themselves or family members in to a property, court should be able to consider other issues such as if a landlord has another property that the tenant could move into, or if the tenant is vulnerable.

The Homelessness Code of guidance will need to be amended to reflect any changes. For example, to ensure that someone with this type of notice is considered homeless or threatened with homelessness.

Question 17: Should the ground under Schedule 2 concerned with rent arrears be revised
so:

- **The landlord can serve a two week notice seeking possession once the tenant has accrued two months' rent arrears**
- **The court must grant a possession order if the landlord can prove the tenant still has over one months' arrears outstanding by the time of the hearing.**

No. The ground under Schedule 2 regarding rent arrears should not be revised.

The private rented sector is now an essential service for 4.5 million households. This includes 1.7 million families who are raising children in these homes - 3 times as many as a decade ago. Providing this essential service should come with certain expectations and responsibilities - as in other essential markets. For example, most essential services operate in arrears - energy being a prime example. Landlords therefore ought to have the financial means to withstand 2 months' rent arrears as an essential service provider.

We're concerned that enabling possession orders for tenants who have accrued 1 month of arrears as opposed to 2 months by the time of their court hearing will disproportionately harm vulnerable tenants. It could cause more confusion for renters about what they need to do to stay in their homes.

Tenants facing chronic debt will struggle to reduce their arrears to under 1 month by the time of a court hearing. For example, 46% of debt issues seen by our advisers related to problems paying household bills such as rent, council tax, and energy bills, and 35% of our clients who have a budget deficit are private renters. The number of problems with rent arrears we've helped people with has increased by 20% between 2011 and 2018 - with an average arrears amount of £1,342.[6] On average, our debt clients have £22 of disposable income a month that they can use to clear their debts. Reforming this ground could lead to unintended consequences that place vulnerable tenants at greater risk.

These new proposals risk having a particularly adverse impact on Universal Credit recipients on account of the 5-week wait time, and the fact that payments are made in arrears - including housing costs. Around half of our clients on Universal Credit experience rent arrears during this wait for their first payment.[7] We're concerned that tenants waiting for their first payment will already be halfway into being in arrears, which could lead to possession action. In addition, the design of Universal Credit means that the date when tenants receive their benefit may not align with their rent due date.

Tenants like Ron who have to wait 5 weeks to begin receiving Universal Credit will be at greater risk of eviction.

Ron receives Universal Credit. He has cancer and his partner died recently. The 5-week wait before receiving his first Universal Credit payment, and the dates when his payments fell, meant that he quickly incurred 2 months of rent arrears. Ron was able to use his savings to pay off the arrears, but suffered significant anxiety and worry about being evicted. This was made worse by his recent bereavement.

A landlord portal where payments are made direct to the landlord already exists for social housing providers. Government should prioritise implementing this portal for the PRS and allowing greater flexibility in the system so tenants can choose when their Universal Credit payment is made. Additionally, in Scotland landlords are not able to use this ground where there are benefit issues. This is established under several mandatory and discretionary grounds. For example, to evict tenants under ground 17 of the Scottish Housing Act, a Tribunal must be satisfied that arrears

[6] Citizens Advice, Hidden Debts, 2018
[7] Citizens Advice, Managing Money on Universal Credit, 2019

have not been caused by delays or failures in benefit payments.[8] And under Assured Shorthold Tenancy ground 8, tenants can't be automatically evicted provided that they can prove their debt is due to a delay in housing benefit being paid.[9] Government should consider implementing similar protections into new and extended grounds in England.

Tenants who are in arrears should have routes to demonstrate that they aren't doing so intentionally. Judges should ascertain if there is genuine malintent, or if there are mitigating circumstances. For example, the tenant is actively seeking advice and has been placed on a debt repayment plan, or receiving benefits such as Universal Credit. Where there is no malintent, landlords should show that they've tried to agree a repayment arrangement with their tenant - similar to the pre-action protocol for social landlord. Tenants on the breathing space scheme would be protected from eviction on section 8 grounds, but this should not be the only mitigation eligibility available to tenants in debt.

We recognise there may be issues with rogue tenants where they deliberately and maliciously fail to pay rent. When this happens, the proposed power for a court to grant a possession order if a landlord can prove this pattern of behaviour during a hearing will provide adequate protection to landlords. In these instances, a court should be able to grant a possession order where the rent arrears are less than 2 months at the time of the court proceedings.

Ultimately, to avoid confusion for vulnerable tenants about what they need to do to stay in their homes, the amount of rent arrears which can be accrued before a landlord seeks possession should remain at 2 months.

Domestic abuse

Questions 24 - 27.

We agree that there should be protections in place for tenants who are victims of domestic abuse. However, we are concerned about the potential that this ground could be exploited by abusers. It may therefore be inappropriate to extend ground 14A to the PRS in this way.

[8] Mygov.scot, Grounds for eviction - private residential tenancies, September 2019
[9] Mygov.scot, Grounds for eviction - assured and short assured tenancies, September 2019

Domestic abuse cases can be particularly difficult to prove. There is a risk that this ground will encourage landlords to inappropriately investigate abuse allegations themselves, and place an unreasonable burden of proof on people in vulnerable situations. People who cannot prove that abuse has taken place may therefore be forced to continue living in unsafe tenancies. The cross-government definition of domestic violence and abuse is not limited to physical abuse. It also includes abuse which is psychological, sexual, financial and emotional.[10] It's unlikely that landlords will be well-placed to safely and effectively investigate these sensitive matters to determine whether abuse has taken place. Additionally, if a landlord does not take due care and attention, they may make the abuser aware that the victim has reported them, and subsequently put victims at an increased risk of harm.

There may be additional protections that can be introduced instead. The government should consider looking at existing mechanisms to prevent one party giving notice to quit and/or transfer of tenancy (e.g. under family law).[11]

Property standards

Question 28: Would you support amending ground 13 to allow a landlord to gain possession where a tenant prevents them from maintaining legal safety standards?

We support amending ground 13 to allow a landlord to gain possession where a tenant prevents them from maintaining legal safety standards. We know that tenants face extensive health and safety problems in their homes. Our recent research found that 1 in 4 landlords have not installed smoke alarms on every floor in at least one of their properties, and the same proportion haven't carried out a gas safety inspection in at least one of their properties.[12] Additionally, inspections by local authorities identified 12,600 Category 1 hazards in privately rented homes in 2017-18.[13] We therefore welcome landlords being encouraged to take steps to fix problems and meet legal safety standards.

However, seeking possession should be seen as a last resort. There would need to be safeguards in place to prevent landlords from abusing this ground and gaining possession on false grounds. Building protections into this ground from the outset

[10] Gov.uk, New definition of domestic violence, 2012
[11] Shelter, Transferring a tenancy
[12] Citizens Advice, Getting the house in order, 2019
[13] Generation Rent, Private renters denied protection from revenge eviction, 2019

would also avoid disadvantaging tenants who do not readily grant access for legitimate reasons eg. protected characteristics such as mental health problems, or harassment from their landlord.

Our recent research on minimum standards found that 40% of people with a mental health problem have disclosed or are willing to disclose in the right circumstance. More than half of those people would only disclose if it meant they got support from their provider as a result (21%).[14] We think this insight could be applied to disrepair - where a tenant may be more willing to allow landlord access if they know what work is being carried out and how long for. This should therefore be done as good practice regardless of whether a tenant has disclosed a mental health problem.

Landlords must provide evidence that they have been in contact with the tenant to gain access to the property and that this has been refused to be able to use this ground. Landlords must also be required to specify what the exact legal safety standards they need to maintain are, and be able to demonstrate that they have exhausted existing mechanisms to gain access eg. injunctions.

A national housing body could conduct spot-checks to make sure that these provisions are being used as intended.

Accelerated possession

Question 29: Which of the following could be disposed of without a hearing?

By taking possession grounds to a hearing, tenants receive access to representation and ongoing advice, which can rectify issues and prevent them from losing their home. Accelerated possession risks tenants losing right to reply and may lead to discrimination. For example, if a tenant is unable to understand or deal with a paper-based procedure due to disability or low levels of literacy. It could also lead to power imbalances with the decline of access to legal aid.[15]

Vulnerable tenants who may be facing converging problems with benefits and rent arrears would be disproportionately affected by the removal of hearings, as they are more likely to miss deadlines or require additional assistance.[16] Banks also have

[14] Citizens Advice, Counting on it, 2019
[15] Citizens Advice, Considering the case for a Housing Court, 2019
[16] Citizens Advice, Considering the case for a Housing Court, 2019

duties under pre-action protocol when wishing to repossess properties. Hearings act as a necessary safeguard for tenants by putting their case to a court which is able to consider all of the issues surrounding a possession notice and provides necessary scrutiny to landlords' cases. This is particularly the case where the court has to consider whether there is sufficient evidence to show a ground has been fulfilled. In addition, courts may grant more time for a tenant to vacate the property if there are circumstances to consider. For example, if the tenant is vulnerable.

While accelerated claims may still be valid for grounds 3, 4, 5 and 7, we are nonetheless concerned that introducing blanket exemptions for these grounds could then result in harmful loopholes. For example, unscrupulous landlords using 6 month holiday let agreements for all their tenants as a precautionary measure against having to go through hearings.

Additionally, we do not think that the time taken to complete a possession claim is disproportionate. The average amount of time from claim to order is 7 weeks,[17] which is reasonable considering the majority of these grounds have a notice period of 2 months. Any additional time in completing a possession order comes from the duration it takes for a landlord to apply for a warrant. The current timeframe offers a reasonable period for tenants to apply for extensions or resolve connected issues such as problems with benefits, rent arrears, or access to legal representation. Attempts to speed this process up by removing hearings risks preventing tenants from being able to mount emergency defences, which can mean eviction and homelessness.

Specialist provisions

- **Question 30: Should ground 4 be widened to include any landlord who lets to students who attend an educational institution?**

Government should introduce indefinite tenancies with a 2-month notice period for all tenants. This will help all landlords and renters to understand their rights and obligations.

[17] Ministry of Justice, Mortgage and landlord possession statistics, 2018.

Wider impact

Question 45: Do you think these proposals will have an impact on homelessness?

We believe that these proposals will have a broadly positive impact on reducing homelessness - if implemented correctly. The loss of a private tenancy is the largest cause of homelessness that our advisers see.[18] Our advisers believe this will change if landlords have section 21 provisions removed and use more evidenced-based section 8 procedure. Courts will need to take a robust approach in terms of evidence needed to make sure adequate safeguards are in place. The concerns we raised earlier in this response regarding rent arrears, fixed tenancies and break clauses will also apply unless they are removed.

The Homelessness Code of guidance will need to be amended to reflect any changes. For example, to ensure that people evicted under the proposed changes to ground 1 are considered homeless/threatened with homelessness to receive adequate protections.

Question 46: Do you think these proposals will have an impact on local authority duties to help prevent and relieve homelessness?

Yes. If legislation is watertight, our clients who would otherwise seek help from their local authority under the Homeless Reduction Act 2017 will have more security once section 21 notices are removed. However, those who do become homeless may find getting help from local authorities more complicated - for example, if the criteria used by a local authority finds them to be intentionally homeless due to rent arrears resulting from debt.

Question 47: Do you think the proposals will impact landlord decisions when choosing new tenants?

Yes. Landlords are already systematically discriminating against tenants who receive housing benefit through 'no DSS' policies.[19] Landlords are likely to become more risk averse and discriminate against certain groups of tenants - especially those on benefits, tenants who have dependents, or are disabled.

[18] National Audit Office, Homelessness, 2017
[19] Shelter, Stop DSS Discrimination, 2018

However, it was good to see the Competition and Market Authority update its guidance recently to say it 'would be concerned *if terms that specify that a property cannot be occupied by a person in receipt of housing benefit are currently being included in any new contracts*.'[20]

Question 48: Do you have any views about the impact of our proposed changes on people with protected characteristics as defined in section 149 of the Equality Act 2010?

Yes, for the reasons described in our answers to the other questions on wider impact, such as landlords potentially discriminating against certain groups of tenants. Of the 57,854 clients we saw in 2018-19 with problems in the PRS:

- 24% are disabled or have a long term health condition, of which 25% have a mental health problem. This is compared to 18% of the general population.
- 22% are BAME compared to 14% of the general population.
- 61% are female compared to 51% of the general population.

And of the 5,341 people came to us because of possession orders:

- 30% are disabled or have a long term health condition, of which 30% have a mental health problem
- 60% are female
- 26% are BAME.

We are particularly concerned about the impact that the proposed changes to rent arrears will have:

- 50% of our Universal Credit clients and 37% of our clients facing debt have a disability or long term health condition
- 9% of our debt clients are black compared to 3% of the general population

Unless legislation is watertight and issues such as rent arrears are resolved, there's a chance that these groups could be disproportionately likely to face harm.

Government should carry out an impact assessment before introducing legislation and monitor its impact on these grounds to make sure it is working to protect them as intended.

[20] Competition and Markets Authority, Consumer protection law for lettings professionals: CMA31, clarification on 3 October 2019

Transition period

- **Question 50: Do you agree that the new law should be commenced six months after it receives Royal Assent?**
    - **Yes**
    - **No**
    - **Don't know**

Yes, with sufficient publication and funding of advice.

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