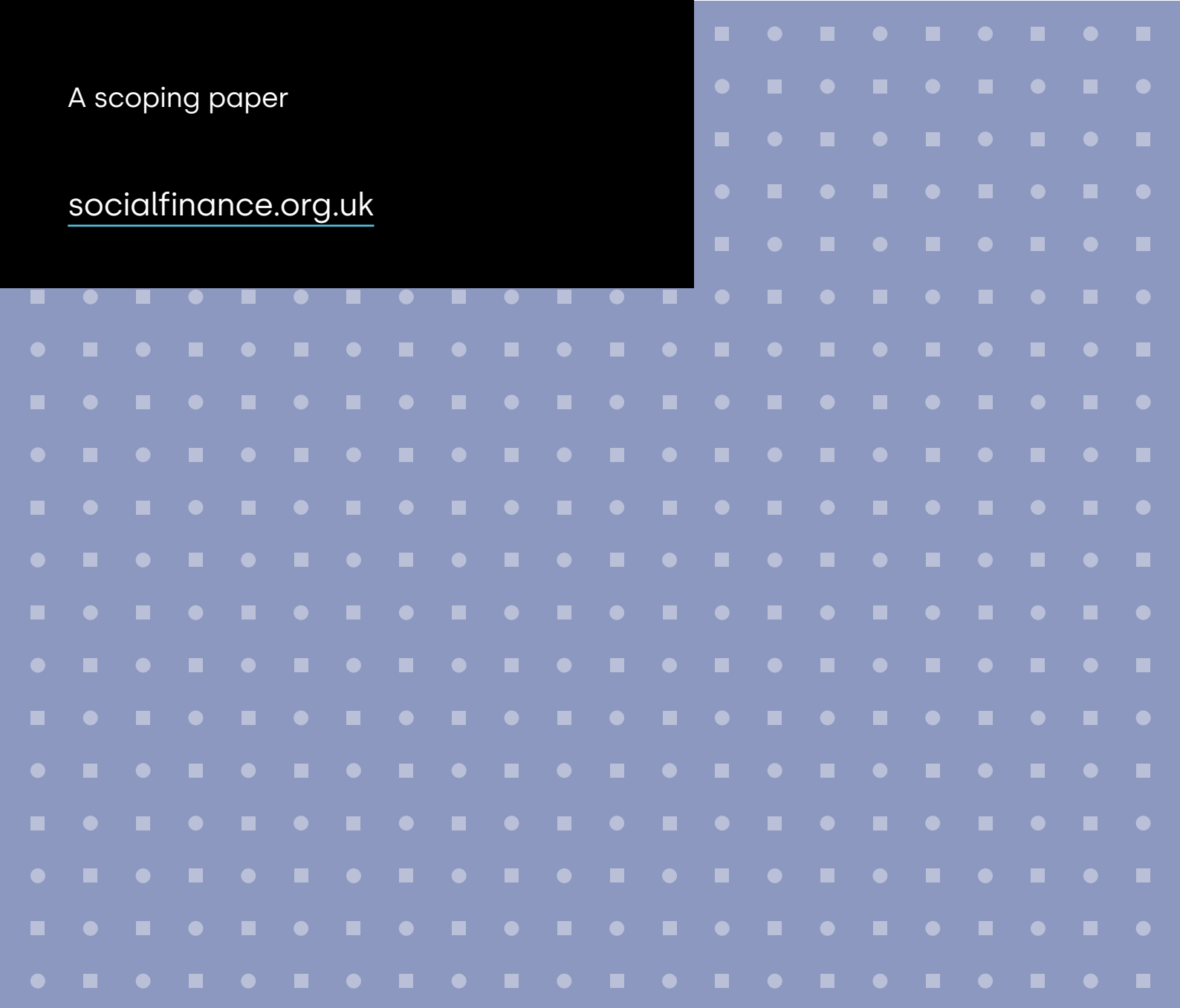


# How can lenders improve the private rented sector?

A scoping paper

[socialfinance.org.uk](https://socialfinance.org.uk)



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# Foreword

We are pleased to partner with Social Finance on this research that explores the potential for financial institutions to help improve standards in the UK private rented sector (PRS).

The PRS has doubled in size since the early 2000s; 4.6 million households in the United Kingdom rented their home from a private landlord in 2020, with private renters representing 19% of all households in the UK. A more diverse range of households, including families with children and older generations, are now living in the sector. For many it is providing long-term rather than short-term accommodation.

However, it has become clear that the condition of some properties in this tenure has not kept pace with its expansion. The English Housing Survey estimates that the proportion of homes in the PRS that fail to meet the Decent Homes Standard is significantly higher than in the social rented and owner-occupied sectors. In addition, despite the energy efficiency of the housing stock in England having improved in recent years overall, this cannot be said for some homes in the PRS.

There has been increasing recognition by policymakers that this gap between the size and standards of the PRS must be prevented from growing further if good quality homes are not to be just the preserve of home owners and social renters. What has been given less attention is the role that lenders can play both by themselves and in partnership with central and regional government in shaping a PRS where all tenants feel safe, secure and with a sense of belonging in their community.

Given that 50–60% of Buy-to-Let landlords purchase their properties through mortgage finance, we hope this report highlights what an untapped opportunity this is and how it could be acted upon.

As a UK-focused retail and commercial bank, we are committed to advancing the prosperity of the country. We believe we have a responsibility to take part in some of the vitally important policy debates the country is engaged in, by promoting research and a wide-ranging conversation focused on identifying solutions. We hope the research findings in this report will provoke debate and discussion about how we can collectively deliver the high quality, sustainable and affordable homes that Britain needs to prosper.

**Esther Dijkstra,**  
**Lloyds Banking Group**

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# Executive summary

This report considers what lenders could do to help improve the quality and conditions of the private rented sector in the UK. Here, we outline our core recommendations.

Too many private renters face poor conditions and unacceptable treatment from landlords. Social Finance has explored this issue with a view to understanding the role that lenders can play to tackle it, acting in concert with government and other actors.

We interviewed 23 people from across government departments, the third sector, the landlord and agent sector and the financial services community to understand the issues with existing landlord regulation, the potential alternatives, and actions that lenders and the government might take to improve conditions. While we explore and comment on the private rented sector across the UK, the majority of our interviewees were based in England. Our research is further limited by the lack of user research with private rented sector tenants, whose voice should form part of future consultations

This report was commissioned by Lloyds Banking Group (LBG) as part of their work to improve the quality of the UK private rented sector (PRS). This supports LBG's purpose of helping Britain prosper by seeking to play a part in addressing the UK's social, economic, and environmental challenges.

We have also tested these recommendations with UK Finance, the trade association for the UK banking and financial services sector, representing 300 firms. Their role is to support cross-sector lender dialogue with the potential to help form collective views and share best practice with the industry.

This study focuses on tackling unacceptable landlord behaviour – whether wilful or through negligence borne of inexperience – and improving landlord practice. We specifically consider what lenders could do on their own account to improve outcomes for both landlords and tenants and support current momentum towards the development and implementation of a more robust national approach to landlord regulation. This could improve the experience of tenants and materially reduce lenders' exposure to reputational risk.

Social Finance is a mission-driven, not-for-profit social enterprise that has a track record of seeking to improve housing conditions for people with low incomes or additional needs. The views represented in this report are those of Social Finance and are independent of Lloyds Banking Group.

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## Summary of recommendations: what lenders can do

The recommendations below are focused on actions lenders can take to help support standards in the PRS. We recognise there are many other actors that also need to play a role, including central and local government and landlords and agents themselves.

- 1) There is an untapped opportunity for lenders to help improve standards and quality in the PRS across the UK.
- 2) The Government's proposed Renters' Reform Bill, consideration of a National Landlord Register in England and increased scrutiny on EPC standards provide momentum for broader action. There are simultaneously opportunities for lenders to factor existing landlord registers in Wales, Scotland, Northern Ireland and Greater London into their lending policies and procedures.
- 3) Lenders have played a role in helping to facilitate the expansion of the PRS by offering affordable personal mortgages and commercial loans for landlords. There is now a growing opportunity for lenders, alongside government and other market participants, to support effective regulation and improve conditions for tenants. Lenders can build on past examples of collective action, notably the dismantling of the 'no DSS tenants' rule.<sup>1</sup> Lenders can also leverage their frequent touchpoints with both landlords and tenants to have positive influence. The English Private Landlord Survey of 2018 showed that nearly half of early career landlords and c.60% of mid-career landlords have a buy-to-let (BTL) mortgage to fund their current properties – lenders therefore have a large but bounded influence on the private rented sector.<sup>2</sup>
- 4) Lenders could take some meaningful action without any changes to government regulation. This includes:
  - a. Restricting access to finance to landlords and agents on the London rogue landlord and agent tracker. Elements of the tracker are already accessible to lenders and the wider public and might be used to identify 'rogues'.
  - b. Working with the Mayor of London and the Department for Levelling Up, Housing and Communities (DLUHC) to expand lender access to non-public sections of the London rogue landlord checker and the English rogue landlord database.
  - c. Raising awareness of best practice and helping landlords in Scotland, Wales, and Northern Ireland (NI) to be compliant with local regulations on landlord registration, e.g. through notification of non-compliance or refinancing charges for non-registered landlords.
  - d. Using surveys conducted as part of mortgage assessments to drive up quality standards for property conditions.
  - e. Providing easily accessible information on landlord responsibilities to buy-to-let (BTL) mortgage and commercial loan holders.
  - f. Educating brokers on property quality, landlord behaviour and regulations to ensure they advocate for change and have conversations about obligations and compliance with landlords at the point of mortgage and remortgage.
- 5) For all of these, lenders will have to balance the benefits against potentially significant costs and risks. Lenders will have to consider how they can act collaboratively on using rogue landlord lists and on adapting mortgage criteria without breaching competition law. They will also have to consider important process details, such as the potential mismatch between mortgage application timelines and the timelines for registering as a landlord in the devolved administrations.
- 6) There are also some broader societal risks to weigh up, such as the risk of marginalised people being made homeless if landlords lose access to finance, or the risk of the PRS shrinking because of heightened regulation.
- 7) In addition to the actions above, lenders can also use their influence to engage with government and trade bodies to back the formation of a National Landlord Register in England. This register could help to:
  - a. limit access to finance to criminal landlords by introducing a mandatory 'fit and proper' person test. This would exclude the worst landlords from the register and empower tenants, local authorities and lenders to take action;

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## Executive summary

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- b. improve the behaviour of negligent landlords through mandatory training and property checks;
  - c. act as a shop window to promote good landlord behaviour.
- 8) A National Landlord Register will need to be backed by enhanced local enforcement capacity to have meaningful impact. In the longer term, the government may also need to mandate regular property inspections, for example through a property MOT scheme, to drive up quality.
- 9) Lenders could support the implementation of a Register by making landlord registration mandatory for lending to landlords or by levying extra charges for unregistered landlords. Lenders could also tie in their existing surveys with any future property MOT scheme to check the quality and condition of rental properties at the point of the initial mortgage application and upon refinancing.
- 10) Landlord registers have costs as well as benefits, especially for landlords who already provide a good service. These could be mitigated by ensuring that any new register sweeps up and simplifies some existing regulation, for example, dismantling some local licensing schemes, or providing a clear checklist of regulatory requirements and obligations to landlords, to minimise the additional burden of registration.
- 11) By taking action on a major social issue, lenders can seize an opportunity to reduce their credit risk and build the quality of their assets, reduce their own reputational risk, protect the tenants who are often on their books as account holders, and have a positive impact on the housing conditions for millions of people across the UK.



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# The challenge of creating a quality private rented sector

Too many renters suffer at the hands of criminal landlords and agents. This has been fuelled by fragmented regulations and lack of enforcement.

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## Introduction

The private rented sector (PRS) in the UK has grown significantly over the past fifteen years, now accommodating 20% of households.<sup>3</sup> Despite this, the incidence of poor quality homes in the PRS is higher than in any other form of tenure, with limited signs of existing regulation working to improve quality.<sup>4</sup>

The 2020 English Housing Survey showed that 12% of private rented properties had the most severe hazards (Category 1 hazards)<sup>5</sup> compared to 10% of owner occupied homes and 5% of social rented homes.<sup>6</sup> While there have been increased efforts to regulate the sector, such as the Housing and Planning Act of 2016, the Homes (Fitness for Habitation Act) of 2018 and the Tenancy Fees Act of 2019, enforcement against this regulation has been inconsistent and often poor.

Local authorities in England now have the powers to impose rent repayment orders and financial penalties of up to £30,000, but between 2018/19 and 2020/21, fewer than 50% of Local Authorities had issued penalties. 71% of all civil penalties were issued by just 7% of local authorities.<sup>7</sup>

A small minority of landlords deliberately flout the law, causing serious issues for their tenants. Interview participants highlighted that those on low incomes and people from disadvantaged backgrounds were more likely to be living in precarious conditions. Despite the government empowering local authorities to impose banning orders to landlords for 41 different offences, such as harassment, violence and unlawful eviction, as of April 2021, there had been only 39 entries to the National Rogue Landlord database. Estimates suggested that there were over 10,000 'rogue landlords' in operation in England before the register launched.<sup>8</sup> Regulation on lettings agents has also been variably enforced. As of July 2019, 53% of local authorities had not prosecuted any agents and 32% prosecuted three or fewer.<sup>9</sup>

The fragmented and complex nature of the regulatory framework in England means that landlords are often unaware of their obligations and tenants unaware of their rights.

Lenders have helped to facilitate the expansion of the PRS by offering affordable personal mortgages and commercial loans for landlords. This has played an important role in meeting rising housing demand. However, there is now an opportunity for lenders, alongside government and other market participants, to support effective regulation and improve conditions for tenants.

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### Limitations of existing regulation and enforcement

In interviews, two key issues were identified with existing regulation in the PRS.

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#### 1) Fragmented regulations and limited guidance

The regulatory framework is highly fragmented in England. There are over 500 different property licensing schemes in operation in England, and no consistent guidance around what needs to be provided by the landlord as part of each scheme. It has been estimated that 325,000 properties in England are currently subject to any council licensing scheme, but this comprises less than 8% of properties in the PRS.<sup>10</sup>

This has led to an information deficit. When new legislation comes into effect, guidance is limited, takes time to be published, and may not be effectively shared with landlords, property agents and tenants. As well as creating challenges for both tenants and landlords, it makes it hard for third parties like mortgage lenders to play a supportive role in improving quality and tackling abuse.

In Scotland, Wales and Northern Ireland, national landlord registers create a more consistent and less fragmented landscape (see Appendix for details).



Every local authority runs different licensing schemes. There is no consistency... One will say you have to upload gas, EPC and EICR certificates, and for others it will be a tick box exercise. It is very inconsistent.

Interviewee



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#### 2) Lack of enforcement

A lack of Environmental Health Officers (EHOs) in local authorities means enforcement of regulation is often limited. This is a result of both cuts to local government budgets and a de-prioritisation of this service versus others, such as social care. A report published in 2018, for Karen Buck MP by Dr Stephen Battersby, showed that there are only 2.2 Environmental Health Officers per 10,000 PRS householders in urban unitary councils.<sup>11</sup> As an example, Brent's contingent of officers shrunk from 54 to eight over the past 30 years despite the size of the PRS doubling in the time. Some of the burden has shifted to organisations such as Citizens Advice, Tenants Voice and Advice 4 Renters, who have seen rising demand for support. In December 2020, Citizens Advice helped someone every two minutes with an issue to do with the PRS.<sup>12</sup>

In addition to budget challenges, local authorities often lack the skillset and political will for targeted enforcement. EHOs find it easier to extract a fine from low-level offenders rather than take action on the most serious breaches, where court action may be needed.

There have also been complaints of insufficient training for regulators in a continually changing, complex legal environment. Training offered within EHO undergraduate and postgraduate degrees no longer includes workplace requirements. There are limited further options for officers to learn about private rented law and practice.





### Overview of solutions across the UK<sup>13</sup>

	England		Scotland	Wales	Northern Ireland
	National	London			
<b>Initiative</b>	Database of Rogue Landlords and Property Agents	London Rogue Landlord and Agent Checker	Scotland Landlord Register	RentSmart Wales	Landlord Registration Scheme
<b>Data Accessibility</b>	Local Authorities only	Public (but limited info)	Public (but limited info)	Public (but limited info)	Public (but limited info)
<b>Strengths</b>	Allows LAs to keep track of rogues across country	Allows enforcement across boroughs	Fit and Proper Test enabling enforcement by LAs; Prescribed information gives landlord clear checklist	Register allows effective comms channel for govt; Mandated landlord training; Fit and Proper Test for license to manage property	When on the register, landlords also get access to a landlord helpline service
<b>Limitations</b>	Very inconsistent enforcement across areas; categories too broad; not publicly available	Inconsistent enforcement across boroughs	Each LA owns the data so difficult to share the full database externally	No Fit and Proper Test at registration	Between ¼ and ⅓ have not registered; Register search tool is poor No fit and proper test / only required for HMO properties in NI

### Overview of existing initiatives

There has been a range of initiatives implemented by the Westminster government and devolved authorities to try to tackle some of these issues. One of the most promising set of initiatives has focused either on registering all landlords or creating online databases that identify landlords who have been found to be 'rogue' after flouting legal requirements. The table below provides an overview of these initiatives in each of the constituent UK nations. Further detail on the current licensing schemes and landlord registers is set out in the Appendix.

### Targeting interventions

The majority of landlords (94%) rent out property non-institutionally as individuals.<sup>14</sup> In this report we are focusing on actions lenders can take to improve the quality of these non-institutional landlords, with the recognition that any potential regulatory change could help influence the entire sector, including the emerging institutional 'build to rent' sector.

Different types of non-institutional landlord may need different interventions to help them improve the condition of their property and the experience of their tenants. While some landlords knowingly break the law, others may breach regulations through negligence or lack of knowledge or understanding. Most landlords are 'decent', complying with regulations and maintaining their property – though potentially with room for improvement. Finally, there are the 'good' landlords who go the extra mile, seeking out training or accreditation, actively improving the quality of their homes and working to give their tenants a positive experience.

We set out these four types in the table below, along with their estimated proportion of the total landlord population, the touchpoints they have with lenders (where lenders might be able to have positive influence), and the types of interventions that may be effective.

For the 'criminal' landlords, enforcement action through EHOs and the justice system will be needed. A landlord register could also help to highlight those with a history of offences. However, a tightening of regulation may have less impact for those who are already flouting the rules.

The four types of landlord

	Criminal Landlords	Negligent Landlords	Decent Landlords	Good Landlords
<b>Description</b>	Landlords who commit the most serious and dangerous crimes such as violence and harassment	Mixture of willfully negligent landlords, and those who lack education	Landlords who comply with regulation and maintain property to an 'OK' standard	Gold star landlords who take their duties very seriously
<b>Behaviour</b> (red = serious legal breaches)				
<b>Est. Size</b> <sup>31</sup>	< 10%	c.20-30%	c.40-60%	c.5-10%
<b>Indicative touchpoints with lenders</b>	More likely to be buying with cash	High proportion reliant on personal mortgages	The majority will be mortgage customers	More likely to be buying with cash
<b>Types of intervention needed</b>	Serious enforcements by police / courts	Improved enforcement and better education	Better education and incentives	Better incentives

The greatest benefits will be derived from targeting the second category: the 'negligent' landlords. Research from Citizens Advice found that a third of landlords struggle to keep up with regulation and rules.<sup>15</sup> Improved enforcement would put pressure on those who are negligent while better guidance and training could turn careless landlords into decent ones, as well as improving the value of their properties through improvements.

There is also potential to support 'decent' landlords with access to guidance and training to help them actively improve their practices and their properties. Standardisation and simplification of guidance and improved incentives for industry accreditation could motivate this category to become 'good' landlords.

There is limited data available to quantify the size of each category. We have based our estimates on interviews with sector experts.

**From our experience of the market, you have 10% who are gold star landlords. They want to do every training course, and badge on every accreditation. They are typically landlords with 10 or more properties, so they want to be completely independent from other incomes. Right at the other end, you have a proportion who are dangerously negligent and at worst criminal. The section that we try to prioritise is the 80% in the middle. They did not plan to become landlords. They do not have a business plan. They do not want to break the law, but they do not know where to go and are completely ignorant... some of them tick the box of rogue.**

**Interviewee**

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# Potential for lender intervention

This chapter explores the actions lenders could take on their own account to improve the quality private rented sector. These include: changes to lending criteria; improving landlord guidance and improving broker education and engagement.

There are broadly two ways that lenders could take action to respond to the current challenges in the PRS:

- 1) Focus on initiatives which they could pursue on their own to improve landlord quality, manage reputational and credit risk, and help influence better practice amongst other lenders
- 2) Support the design, development and implementation of a more robust framework for regulation of landlords and rental properties – in particular, a national landlord register for England

This chapter explores the first type of approach – the actions lenders could take on their own.



Unwittingly negligent landlords are more reliant on buy-to-let mortgages

Interviewee



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## Introduction

Lenders are important market actors for non-institutional landlords in the PRS. The English Private Landlord Survey of 2018 showed that nearly half of early career landlords and c.60% of mid-career landlords have a buy-to-let (BTL) mortgage to fund their current properties.<sup>16</sup> In 2017, UK buy-to-let mortgages comprised 17% of all mortgage loans by value.<sup>17</sup>

Lenders have several touch points with these landlords: the initial mortgage application; mortgage refinancing at the end of a two, three or five year fixed term; and regular communications through internet banking portals or mortgage account statements. An increasing proportion of BTL mortgages are remortgages, rising from 45% in 2007 to 66% in 2017 in the UK.<sup>18</sup> The majority of the BTL mortgage market is intermediated by mortgage brokers, who must be engaged as part of any lender course of action.

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**There is no question that lenders can play a role. When someone applies for a mortgage, they are usually prepared to agree to anything in order to get a loan. Therefore, at that moment in time, there is a good option for some form of checking or presentation of documents and certificates.**

Interviewee

Recognising that lenders operate in a highly competitive landscape; we have explored a range of actions that they could take to play a more active role in supporting quality improvement in the PRS.

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### Potential actions by lenders

We considered three types of lender action.

**1) Changes to lending criteria.** This could include:

- Restricting access to finance for non-institutional landlords and agents on the London rogue landlord and agent tracker. Some of this data is already publicly accessible
- Working with the Mayor of London and the Department for Levelling Up, Housing and Communities (DLUHC) to enable lenders to access non-public sections of the London rogue landlord checker and the English rogue landlord database
- Encouraging landlords in Scotland, Wales, and Northern Ireland to become compliant with local regulations on landlord registration, e.g. through notifications of non-compliance or refinancing charges for non-registered landlords
- Using surveys conducted as part of mortgage assessments to drive up quality standards for property conditions

**2) Improving landlord guidance,** ensuring landlords are fully informed on their responsibilities. For example, providing accessible information on landlord responsibilities to buy-to-let (BTL) mortgage and commercial loan holders. This would also include broker engagement and guidance.

**3) Supporting tenants** through:

- Signposting or designing guidance material or advice resources for tenants
- Supporting tenant re-housing when criminal / rogue landlords are enforced against
- Providing a tenant helpline to help customers to complement the current legal helplines banks provide. This would recognise the resource constraints faced by charities operating in the sector

Based on discussions with lenders and others, we believe lenders have the greatest scope for positive action on the first two of these areas. We have focused the remainder of this section on these.

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### Changes to lending criteria

Access to finance is critical for most non-institutional landlords. This gives lenders significant leverage during the initial mortgage application process or upon refinancing. At the extreme, lenders could use this process to prevent landlords with a history of offending from getting a mortgage. They could also put steps in place during the application process to drive improvements in the condition of the property.

There is precedent for lenders influencing the PRS through lending criteria. Many lenders previously included mortgage conditions that prevented landlords from renting properties to tenants in receipt of housing benefit, the “no DSS” rule<sup>19</sup>. This was designed to protect themselves against the risks of damage and mortgage arrears. This was finally changed after some lenders campaigned with Shelter to shift market norms and remove this requirement. Only a small minority of lenders continue to use it.

Now, there is an opportunity for lenders and other campaigners to shift mortgage market norms further to protect tenants. We have identified three specific areas for potential action:

1. Restricting access to finance for landlords on ‘Rogue’ lists
2. Encouraging landlords in Scotland, Wales, and Northern Ireland to comply with local regulations on landlord registration
3. Using property surveys conducted as part of mortgage assessments to improve quality standards

While these could be done by an individual lender acting on their own, the impact would be significantly greater if these changes became an industry standard. We consider the benefits, costs, and potential blockers for each action below.

### 1) Restricting access to finance for landlords on 'Rogue' lists

In England, two databases have been set up to track 'rogue' landlords: the London Rogue Landlord and Agent Checker and the National Rogue Landlord Database. However, there is currently limited public access to these datasets, limiting their use for non-state actors.

Lenders could compare their books against the London dataset, since this already allows some public access. Lenders could also work with the Mayor of London and DLUHC to give lenders privileged access to non-public sections of the London Rogue Checker and National Rogue Landlord Database. Any landlord on these lists that applied for a mortgage could be subjected to additional scrutiny. Those that fail against the extra checks would have their applications rejected. If this led to a property being re-possessed, the lender would need to consider how current tenants could be supported to find new accommodation.

**Benefits:** Lenders can use government-endorsed datasets to objectively identify rogue landlords and reduce their exposure to them. Aside from the societal benefits, this reduces the lender's reputational risk. It may also reduce the lender's credit risk if being a 'rogue' landlord is correlated with non-compliance in other domains.

**Costs:** Lenders are likely to incur administrative costs for the additional checks they will need to undertake on landlords on the rogue databases. Not all landlords on the rogue lists may be persistent offenders – lenders may need more sophisticated criteria to distinguish one-off from ongoing negligent or criminal behaviour. This could make the lender checks more costly. There is also a risk that this action could drive business to less diligent lenders without removing rogue landlords from the PRS market.

**Blockers:** Data protection and reliability will be a significant implementation challenge. The current rogue lists cannot be effectively used by lenders to restrict access to finance. The London Rogue Checker has limited public access. The National Rogue List is relatively sparsely populated; the data is not accessible to non-state actors; and it is currently subject to a review (see Appendix).



In the Financial Services world, you could argue it is a way of mitigating risk. A requirement to understand the law is a risk mitigation.

#### Interviewee



Landlords are taken off the list after a certain time, which means the lists only capture a limited group at any one moment. Lenders will have to engage in significant consultation with government to ensure they have access to the right data at the right time to be able to act on the lists.

Another challenge is the need for collective lender action to make this action meaningful. Without shifting the norms of the market as a whole, rogue landlords will simply find alternative lenders who perform fewer checks. Collective action, however, is prevented by competition law. This means that lenders either need to act unilaterally in the hope that this encourages others or influence a trade association such as UK Finance or IMLA to develop guidelines that all lenders could voluntarily follow.

**Risks:** Lenders could face challenge from landlords who dispute their 'rogue' status. Lenders will have to ensure they give mortgage applicants the opportunity to rectify their behaviour before cutting off access to finance.

There is also a risk of tenants being evicted if landlords are unable to refinance their mortgage. Lenders will need to consider how vulnerable tenants are supported to find suitable alternative accommodation, for example through their local authority.

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**If what one wanted was to make lenders more proactive, the way to do it would be for government to create a duty of care between the lender and the occupier. If a landlord breaks the law, and the tenant has a rent repayment order, that could have a knock-on impact on the payment of the mortgage.**

Interviewee

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**Doing more due diligence tests at the point at which landlords apply for buy-to-let loans would be helpful in rooting out those who are not as well equipped to participate in the sector.**

Interviewee



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## 2) Encouraging landlords in Scotland, Wales, and Northern Ireland to become compliant with local regulations on landlord registration

Scotland, Wales and Northern Ireland have established landlord registers and training programmes to improve conditions in the PRS. Lenders could support these efforts by encouraging landlords to get registered. This could include restricting access to finance or imposing refinancing charges for non-registered landlords.

In a similar way, other non-state actors, such as property listing sites Rightmove and Zoopla, have taken action to protect their customers and their reputation. Rightmove have a vetting team, and are building out IT infrastructure, to ensure they only list properties from agents who pass certain tests, for example being registered on a redress scheme.

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**The simplest thing that could be done is that on an application for a mortgage you ask for evidence of the landlord's registration number and licence number. That would help us make sure the net is closing in on people who are not currently on the register.**

Interviewee

**Benefits:** Lenders will be seen to be supporting national efforts to improve the PRS. This will also help lenders reduce their exposure to landlords with a history of offending, who are likely to be excluded from these registers.

**Costs:** There will be additional administrative costs for lenders to screen applications against different registers in each nation. The Rightmove example above highlights how additional vetting drives both people and infrastructure (IT) costs.

**Blockers:** Each nation's register holds different information and allows different levels of public access to their data, making it hard for lenders to adopt a standard approach. For example, none of the existing registers require holiday lets to be registered. This makes it difficult for lenders to understand whether a buy-to-let mortgaged property not on the register is non-compliant or exempt, for example, due to being a holiday let.

There is also a challenge around the timelines involved in mortgaging, registration and/or licensing. Typically, individuals apply for mortgages or commercial loans **prior to** purchasing and letting out a property. Conversely, they would usually apply for registration **after** the property is purchased. Non-registered landlords could, therefore, tell lenders that they plan to register after their mortgage is approved.

Lenders would need to make registration a condition of the mortgage, though without costly follow-up checks this may have limited impact. This action may, therefore, be most relevant for landlords refinancing their properties or landlords who already have rental properties and could, therefore, be expected to be registered.

To overcome this blocker for new landlords/purchases, registration and licensing could be uncoupled such that landlord registration purely addresses the suitability of a landlord, and property licensing includes regulatory compliance checks of a property. This could allow lenders to require landlord registration (prior to property purchase) as a condition of a mortgage.

**Risks:** Lenders may lose significant business if they refuse to lend to or impose extra charges on non-registered landlords, since this segment still represents a large part of the market in devolved nations. Non-registered landlords could simply find alternative lenders and continue to operate.

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### 3) Using property surveys conducted as part of mortgage assessments to improve quality standards

Lenders could increase their due diligence on property conditions when offering non-institutional landlords buy-to-let mortgages, re-mortgages and commercial loans for rental properties. Currently, property surveyed must meet each lender's 'lettable standard'; however, surveying is subjective and dependent on the surveyor, region and property. What is lettable in the outskirts of London may not be lettable in the centre of London. A property that may be lettable when surveyed may fall into disrepair afterwards. There is no or very limited further checking of properties to ensure standards are met over time.

Lenders could use their existing property surveys to drive consistency around property standards.

**Benefits:** Poor property standards may be linked to other negative landlord behaviours and, ultimately, correlated with higher credit risk. A landlord who keeps their property to a good standard may be more likely to maintain the value of the property and their rental income.

There are other societal benefits of improved property inspection. For example, it could support the transition to net zero carbon emissions and enable 'green' loans to properties that have had sustainability improvements. It would also lay the groundwork for a future 'property MOT' that may be required by government.



If there is one thing lenders could do to improve the quality of the PRS, it is taking more of an interest in the survey side of things... if there are red flags in the surveyor's report, how does that influence the decision to give a mortgage?

**Interviewee**



**Costs:** There will be significant costs involved in changing surveying processes. This could make a lenders' products uncompetitive unless other lenders adopted similar standards.

**Blockers:** There are currently few widely agreed standards for lettable properties. Lenders would need to convene an industry dialogue and a dialogue with government to establish market norms.

**Risks:** There is a risk of customer dissatisfaction with more stringent tests and likely longer timeframes for their property to be subject to a more detailed inspection versus the comparatively simple surveys or automated assessments conducted today.

The additional costs and timeframes could make products uncompetitive compared with those of lenders who did not adopt these standards. There is no current consensus in the financial services sector around the need for this, making it harder to shift market norms. Many lenders would either need a strong commercial case (e.g. proving that property standards are linked to credit risk) or government would need to intervene, for example by establishing a system of property MOTs.

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**It is not in many lenders' commercial interests to know the quality of landlord behaviour. As long as the mortgage is being paid, they are content. It is only when the mortgage is coming into arrears that lenders get interested, and from our experience, the worst landlords tended to fall into arrears.**

Interviewee

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## Improving landlord guidance

Lenders could act to raise awareness among landlords of their obligations, for example as part of the mortgage application or refinancing process or in regular customer communications (for example annual mortgage statements).

There are few examples of this currently. One large mortgage lender previously partnered with the National Residential Landlords Association to access their guidance for customers, including a kickstart guide for new landlords – however, this was focused more on business building than on educating landlords on their obligations.

Landlords are a large and disparate group with few common communication channels that government and other players can use to disseminate guidance, regulation updates, and other information. This is especially true in England where a national register is not in place. Lenders could use their customer lists, national reach, communication infrastructure, and partnerships to deliver these messages.

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**The government have tried to pull it together with the Right to Rent booklets, but tenants have not read it because it is too long. Lots of tenants like to see or hear things rather than just read things. Banks are very good at doing videos, because they have had a lot of change, they have had to go through.**

Interviewee

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**I would say, if you have the ability to identify when the first re-mortgage comes up, or when the second purchase comes up – that's when scaring them a bit is the way to do it, e.g. nudging with: Did you get these things wrong the first time around? Here is a course that you might want to do.**

Interviewee



Lenders could:

- Build partnerships with information and advice organisations
- Signpost landlords to existing resources such as RentSmart Wales, which has clear guidance on tenant and landlord responsibilities
- Create bespoke education packages for customers on their books, building on their existing knowledge of how those customers want to be communicated with
- Create, potentially mandatory, training for those applying for a buy-to-let mortgage or commercial loan for rental property

**Benefits:** There is significant value in lenders supporting the dissemination of information. In Wales, where a landlord has to complete training to obtain a licence, Rent Smart Wales found that over 50% of the people being trained said they found the course materials valuable, that they learnt things about managing their business, that they had acted on what they had learnt and were going to make changes going forward.

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**There used to be a target set for Environmental Health Officers (EHOs) where one EHO was responsible for improving 30 properties in a year. That was a big challenge for an enforcement officer but actually it is not a big number. If you can deliver training and 50% of the people you train change something, the impact you have on the sector is much greater.**

**Interviewee**

**Costs:** There will be costs to lenders to build partnerships with organisations such as NLRA, Shelter and Tenancy Deposit Schemes to access guidance materials. There will be some resource development, marketing and distribution costs although information could be packaged with existing paperwork or onboarding material. In a constantly-changing market, guidance and training materials will need to be kept continually up-to-date, creating a maintenance cost for those responsible for them.

**Blockers:** Under GDPR, lenders may need to ask consent from their customers to send them non-product-related materials, even if these are educational.

**Risks:** Providing guidance to landlords may have limited impact, especially for those who are deliberately negligent and already aware of their responsibilities. There may be limited appetite from landlords to learn from materials provided by their lender. In Wales, the training provided is more effective because it is mandatory and, therefore, impacts landlords who might otherwise choose not to engage.

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**Education is great, but it is only going to touch those who are looking for the information. It will not solve the wider issue.**

**Interviewee**

There is some risk that guidance materials with strong language on landlord responsibilities could put off some individuals from entering the PRS, reducing supply in the market. This can be mitigated by ensuring guidance is developed in an accessible and supportive way.

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### Improving broker education and engagement

Mortgage brokers have an important role to play in acting as the intermediaries between landlords and mortgage lenders. They partner with several financial institutions connecting them to prospective clients. They are also often the first point of contact for a landlord looking to get a mortgage. There is an opportunity for lenders to partner with brokers to ensure they also advocate for change. In devolved administrations, this could include spreading awareness about the need for prospective landlords to join existing Registers. In London, brokers could ensure landlords they work with are not on the London Rogue Landlord and Agent Checker. Universally, brokers could ensure they clearly discuss landlord obligations with prospective clients and celebrate good behaviour in the space.

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## Potential for lender intervention

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**Benefits:** Educating brokers will result in greater engagement with landlords, particularly those who are looking to remortgage their properties.

**Costs:** There will be training costs if lenders choose to upskill brokers to speak with landlords about their obligations. Brokers work independently, selecting the best product for their customer from all lenders. It may be possible to adapt existing qualifications, such as the Certificate in Mortgage Advice and Practice (CeMAP).

**Blockers:** Brokers may not be equipped / capable of doing thorough checks of prospective clients before onboarding them.

**Risks:** Brokers may not have the incentive to act, given they work relatively independently, and work will need to be done to socialise these recommendations to industry-wide broker groups.



Brokers would turn a blind eye... from a broker perspective trying to find all that information would be hard; it would need to be more industry-wide.

Interviewee



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# Supporting a National Landlord Register in England

This chapter explores how lenders can support current government momentum towards building a more robust national approach to landlord regulation with a National Landlord Register.

The previous chapter addressed the actions lenders can take without further government action to improve the quality of the PRS. This chapter considers the potential for lenders to support the design, development and implementation of a more robust framework for the regulation of landlords and rental properties – specifically, a national landlord register for England.

We have focused on this specific initiative for two reasons. First, given the existence of landlord registers in Scotland, Wales and Northern Ireland, the lack of a similar initiative in England creates a clear policy question for the government to consider. Second, we consider that a landlord register for England is the single most significant intervention the government could make in the PRS currently. Designing it well could resolve a range of issues, both around the quality of the sector and around the fragmentation and complexity of current regulation.

Some lenders, including Nationwide, have been engaged in the conversation around the benefits of a National Landlord Register. We go further here to explore how lenders could actively support a future register, for example by encouraging compliance with it.

In July 2021, the Department for Levelling Up, Housing and Communities (DLUHC) put out a tender for a ‘discovery’ partnership with a provider to explore the merits and feasibility of introducing a national landlord register in England. In February 2022 the Government published its Levelling Up the United Kingdom white paper which committed to exploring a national landlord register in England as part of the rental reform white paper expected in Spring 2022. This chapter aims to support the work being done by government to evaluate the merits and feasibility of such a scheme.

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## Purpose of National Landlord Register

A national landlord and agent register has the potential to help target each of the four types of landlord we outlined above. The greatest potential impact will be to help improve the behaviour of negligent landlords. The register will also help to expose criminal landlords while supporting decent and good landlords to improve.

There is scope for lenders to both shape the solution and to use the register if and when it is implemented. While a register would focus on addressing landlord quality, it could also create the framework for a future licensing / property MOT system aimed at improving property conditions. This could be aligned to any future standard set by the government for the PRS.

**Impact of register on different landlord groups**

	<b>Criminal Landlords</b>	<b>Negligent Landlords</b>	<b>Decent Landlords</b>	<b>Good Landlords</b>
<b>Description</b>	Landlords who commit the most serious and dangerous crimes	Mixture of willfully negligent landlords and those who lack education	Landlords who comply with regulation and maintain property to an 'OK' standard	Gold star landlords who take their duties very seriously
<b>Impact of register</b>	Prevents criminal landlords from being registered and/or exposes their past offences to scrutiny	Improve compliance with regulations by making training a condition of registration	A register will act as a shop window for landlords A register could replace some existing licensing schemes, benefiting those who are compliant	
<b>Potential lender engagement</b>	Lender would only provide finance to those on the list or levy charges to the non-registered	Lenders could integrate their 'lettable standards' with a potential property review / MOT process	Lenders could provide guidance and facilitate access to advice to those on the register	
<b>Effectiveness</b> (green = effective)				

**Features of register needed**

To meet the objectives listed above, a register will need to:

- Be mandatory and publicly accessible
- Have high quality data so lenders can rely on its accuracy and robustness
- Have a 'Fit and Proper' person test, to include checks on criminality, fines, banning order, improvement notices, etc.
- Be integrated with the National Rogue Register
- Include a supporting service for tenants to report landlords
- Have a unique landlord identifier number to link to other official services
- Integrate and record key property information, such as EPC ratings, gas and electricity certificates as a second step after passing 'Fit and Proper' person test
- Offer compulsory training (akin to Wales) to compensate for lack of EHO capacity in short-run

- Cascade requirements to landlords in a digestible way using a 'prescribed information list' (akin to Scotland)
- Consider recording of exemptions e.g. holiday lets
- Link in with property MOT in the longer-run
- Offer landlords the ability to record quality indicators such as accreditation
- Record lettings agents / persons involved in the managing of the property



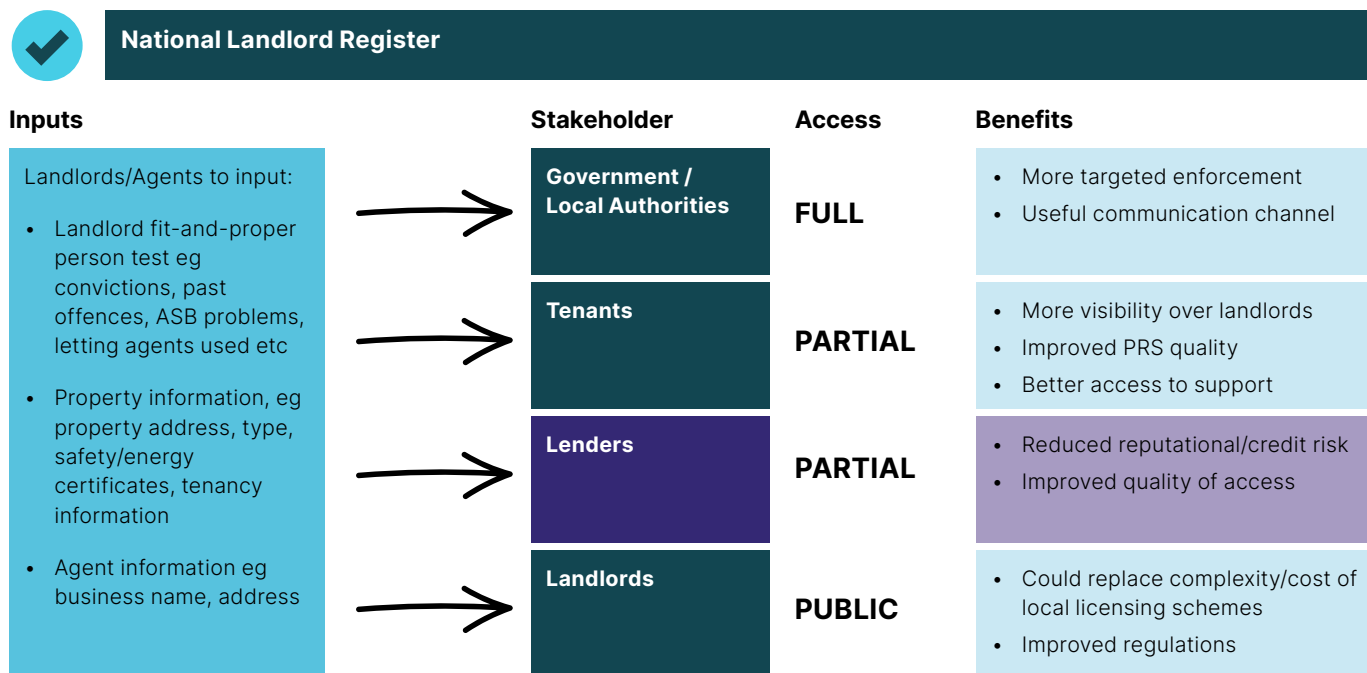
A central landlord register will underpin all future landlord enforcement action. If a landlord is not on the register, they will be on the rogue / criminal end of the spectrum.

**Interviewee**



See below for a diagram explaining how a landlord register could work in practice. Further details are included in the Appendix.

**Figure 1. A National Landlord Register**



### Wider benefits, costs, and risks

Our conversations with sector experts and market actors suggest that a register would have a range of **wider benefits** beyond the core focus on improving landlord quality. A national register could replace some of the complex local licensing schemes in place in England. Fees for these licensing schemes vary from £350 to £990, including £470 to cover the administration of the schemes.<sup>20</sup> It would also provide a powerful dataset for the government to deliver targeted interventions, for example targeted enforcement by local authorities in areas with particular challenges such as unlicensed Houses in Multiple Occupation (HMOs).

For landlords, a register would create a communication channel for government to disseminate information.

In Wales, for instance, the register has allowed the government to contact landlords quickly and cheaply by email. A register will also make it easier for landlords to know their obligations and improve the overall reputation of the sector.

The benefits of a register need to be set against its **costs**. These include the set-up and maintenance costs for government and the costs incurred by landlords to comply with its requirements. Government may also need to fund additional enforcement to ensure compliance with the register.

**The register will be quite tough to set up. It needs to be properly resourced, and England should learn the hard lessons from the schemes in Scotland, Wales and Northern Ireland.**

Interviewee

## Supporting a National Landlord Register in England

Stakeholder	Risk	Mitigation
<b>Government</b>	<p>Considerable costs in setting up, maintaining and enforcing register</p> <p>Risk of ‘toothless register’ with limited impact, in part because of no external test of property quality standards</p> <p>National schemes may be difficult to enforce against, given a lack of accountability and local knowledge</p>	<p>Knowledge sharing from devolved administrations on set-up costs and funding models</p> <p>Property safety/EPC certificates digitally validated through the register. In the longer-term, government may need to set up a National Property MOT scheme</p> <p>Fund local enforcement capacity, e.g. through expanding EHO capacity</p>
<b>Landlords</b>	<p>Additional bureaucracy, adding cost and creating barriers to entry. Costs may be pushed onto tenants</p>	<p>Register should aim to sweep up some existing schemes (e.g. local licensing), potentially replacing associated costs. It should also simplify the requirements and obligations including prompts on what is needed when</p> <p>Landlords could get access to basic advice and services to support them in return for the fee they have to pay</p>
<b>Lenders</b>	<p>Operational costs for lenders to introduce new processes to support the register</p> <p>There could be a timing mismatch if lenders typically provide mortgages prior to the landlords needing to be registered</p> <p>Lenders’ products could become uncompetitive if other lenders do not use the register to conduct extra checks</p> <p>Lenders not knowing how to define ‘criminality’ and when to penalise landlords”</p>	<p>Potential benefits for lenders, e.g. through reduced reputational and credit risk</p> <p>It will be essential to uncouple ‘landlord registration’ from ‘property licensing’ to ensure lenders can act on a pass/fail of the register’s fit and proper person test prior to property purchase and licencing. Alternatively, checks against the register could be performed at post-application / re-mortgage / refinance, however at this point the property will have been funded and purchased, so the opportunity to deny a criminal landlord from beginning to operate with a property has been missed.</p> <p>Lenders need to establish strong partnerships with government and industry bodies to ensure pressure is placed on industry to act collectively</p> <p>Have a ‘Fit and Proper’ person test to include checks on criminality, fines, banning orders, improvement notices, etc. This must give a clear result as to whether someone passes or fails, so that all lenders could interpret the result in the same way, and avoid setting their own appetite on ‘levels of criminality’.</p>

The table above outlines the potential **risks** of a register.

### Funding, management and accountability

There are different potential models for ownership and funding. In Scotland, the government operates and funds the register, although it is trying to shift to a cost neutral position. In Wales, the register is run by an organisation affiliated with, but independent to, the government.

RentSmart Wales, a team of around 70, is funded partly via government grant and partly by the landlord registration fee. In England, the government will need to consider the balance of subsidy and fees.

A further consideration will need to be made around accountability and access. It might be helpful for a national register to be accessible by a wide range of stakeholders. These could include government departments, such as HM Revenue & Customs (HMRC) and the Department of Work and Pensions (DWP), and non-governmental organisations such as insurers and banks. Banks could require a registration number prior to administering loans while property insurance could be a requirement for property licensing.

Foreign ownership of rental properties may also introduce complexities. In Wales, other parties, such as the HMRC, can gain access to the Register by request. Greater transparency would improve the ability of a range of public and market actors to conduct 'soft surveillance' but might reduce compliance by landlords concerned about the use of their data.

Some elements of the register should also be open to the public to allow tenants to check prospective landlords and agents. A system for reporting un-registered landlords will also be needed. The ability of the public to access the London Landlord and Agent Checker has made a significant impact in the success of the initiative compared with the National Rogue Database. Similarly, all the devolved administrations' registers make a significant amount of data transparent to the public.

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**A landlord register would be a gateway to understanding what is happening in the sector. It would also be helpful for other departments like HMRC to do spot checks on taxes. We need it to be a useful tool and for the data to be accessible.**

Interviewee

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### National Property MOT scheme

Some have campaigned for a system of property checks to run in parallel to a landlord register. This would involve regular inspection of properties (e.g. every two to five years) to ensure standards are complied with on an ongoing basis.

Properties could be checked by qualified professionals either at the point of registering onto the national register or at regular intervals after that. Lenders could help provide the infrastructure for these reviews, for example by leveraging the existing system of pre-mortgage property surveys. This could also offer a career path for Environmental Health Officers who want to switch to a non-enforcement career track.



Landlord behaviour drives property conditions. When properties are being used, if they are not maintained and looked after, they will break.

Interviewee



Landlords would have to pay for this MOT, which would create a significant additional burden for them but would ensure the scheme is financially sustainable without government subsidy.

The introduction of a property MOT scheme would be a major intervention in the PRS. It would generate significant new costs and burdens but would also provide local authorities and other actors with meaningful levers to improve property standards. We understand that this solution is being actively considered in Wales.

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# Conclusion

Building on existing research around the challenges in the PRS, this report has gone further by exploring the actions that lenders could take to improve quality and conditions for tenants.

We have focused on three areas for action, two of which could be achieved by lenders under the current regulatory framework and one which would require government intervention. These include:

- **Changing lending criteria** to restrict access to finance to landlords with a track record of flouting regulations; encourage compliance with existing landlord registers in Scotland, Wales, and Northern Ireland; and, potentially, use mortgage surveys to drive up property quality standards
- **Improving landlord guidance**, using lenders' unique communication channels, including brokers, to provide accessible and engaging resources that help landlords understand their obligations.
- **Supporting the design and implementation of a national landlord register in England**, the one nation in the UK without this type of scheme. Lenders could support the government to ensure the scheme is well-designed and effective, and adapt their own lending processes to encourage compliance

With over 2.6 million landlords in the UK<sup>21</sup> and 4.6 million households renting<sup>22</sup>, the private rented sector (PRS) is large, sprawling, and a vitally important pillar of the UK's housing supply. Any significant change to how this sector is run will have significant cost implications, create winners and losers, and be challenging for the political system to wrestle with.

Yet with conditions worse in the PRS than any other part of the housing market, change is now essential.

While government holds the primary responsibility for new intervention, we have shown how other market actors, including lenders, could also play a powerful role. For lenders, the opportunity is to be part of the vanguard of positive societal change while also potentially reducing credit risk, improving the quality of their collateral, and limiting the reputational damage that comes with helping rogue landlords to operate their businesses.

Housing is a foundational human need, sitting right at the start of Maslow's famous hierarchy. For too long, renters have lived in insecure, poor-quality accommodation that few would be proud to call home. That can, and must, be changed.



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# Appendix

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## Licensing and other regulatory solutions

### Licensing Schemes in England and Wales

There are currently three types of licensing schemes operating in England and Wales: mandatory HMO (House in Multiple Occupation) licensing, additional licensing and selective licensing.

**1) Mandatory Licensing:** This is compulsory licensing needed for letting out properties with five or more residents from more than one household who share a toilet, bathroom, living room or kitchen, in England or Wales. The licence is valid for a maximum of five years. Typically, in order to get the licence the following criteria must be met:

- The house must be suitable for the number of occupants
- The manager of the house (landlord or agent) must be 'fit and proper' – i.e. without a criminal record
- The council must be sent an updated gas safety certificate every year
- The landlord must install and maintain smoke alarms
- The council must receive safety certificates for all electrical appliances when requested

The fine for not complying with mandatory licensing is unlimited. The fee for an HMO licence varies between councils. For example, in 2020/21 the fee for a mandatory HMO licence in Hammersmith and Fulham council was £1,215 for a five bedroom HMO (plus £15 for each additional bedroom), compared to £344 in Milton Keynes.<sup>23</sup>

In Scotland, HMOs must also have mandatory licensing with the scheme originating in the Housing (Scotland) Act 2006. In Scotland, an HMO is defined as a property rented out by at least three unrelated people who share the bathroom and kitchen. A similar definition is in place in Northern Ireland, where a property is an HMO if three or more people live in it, and these people form at least three separate families or households, and at least one person is paying rent to live in the property.

**2) Additional Licensing:** These are also HMO licences but brought in specifically by individual councils if they are concerned HMOs are not being properly managed or if they believe that mandatory licensing does not go far enough. The requirements and fee for an additional licence also varies between councils.

**3) Selective Licensing:** Section 80 of the Housing Act 2004 allows local authorities in England and Wales to implement selective licensing of privately rented properties. Councils have the powers to require some or all landlords in their area to obtain a licence to let property. Councils wanting to introduce selective licensing schemes covering over 20% of the area, or 20% of private rented homes, can only do so with central government approval. It has been estimated 4.4% of PRS properties in England are subject to selective licensing schemes.<sup>24</sup>

Local Authorities can set their own requirements, which could include a 'fit and proper person' test or an agreement to sign up to a charter or code of conduct. In April 2015 the government broadened the criteria under which selective licensing could be introduced, to include criteria such as: low housing demand, anti-social behaviour, poor property conditions, high levels of migration, high levels of deprivation and high levels of crime. As of the 1<sup>st</sup> of January 2019, 44 local authorities had implemented a selective licensing scheme, with four of them operating schemes in their entire area, and nine operating schemes in over 20% of their area.<sup>25</sup>

**Benefits:** There are some clear benefits of this scheme. Selective licensing can provide additional financial resource for councils, and therefore improve enforcement. In the London Borough of Newham, where borough-wide selective licensing was introduced, licensed landlords were required to inspect their properties every six months and provide gas safety certificates to the council. They have issued nearly 40,000 licences since 2013, brought 1,225 prosecutions against criminal landlords and given 28 banning orders.

**Drawbacks:** Critics of selective licensing point to the fact that each authority has a different package of licensing. In many areas, there are low levels of enforcement. There is also little evidence that selective licensing schemes have had a beneficial impact on the quality of private rented sector accommodation, sometimes just serving as a profit-making mechanism for councils. It has been estimated 7.4% of PRS properties in England are subject to any council licensing scheme.<sup>26</sup>

### Housing Health and Safety Rating System

The Housing Health and Safety Rating system (HHSRS) was introduced with the Housing Act 2004 and came into force in England and Wales in April 2006. This is a risk-based assessment tool used by EHOs to assess the likelihood and severity of a hazard in residential housing to the health and safety of occupants and visitors. In contrast to its predecessor scheme the 'Housing Fitness Standard', which had a pass or fail system, this scheme has a scoring system to calculate the seriousness of hazards. If Environmental Health Officers identify Category One hazards (serious hazards), local authorities are required to act, through the provision of measures such as an

Improvement Notice, Prohibition Order, Hazard Awareness Notice or by emergency remedial action. Category Two hazards are less serious, and councils have more flexibility with their enforcement.<sup>27</sup>

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## Landlord Databases and Registers

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### England

England is the only UK country which does not have a landlord register. Instead, policy in England is focused on capturing data on rogue landlords and agents. The National database of rogue landlords and property agents was introduced as part of the Housing and Planning Act 2016 and went live in April 2018. The database is designed to help Local Authorities target their enforcement action against the worst landlords, who have been convicted of a banning order or received two or more civil penalties within a 12-month period. Use of the database has been very limited, and the government recently set out a consultation to review the criteria for rogue landlords and agents to be added to the database, as well as the conditions around who can access it.



There are some councils that have put lots of landlords on the list, and others that have not. This is not to say that they do not also have cases; they might just not have got someone to upload the information.

### Interviewee



National Rogue Landlord Database	
<b>Purpose</b>	Tool to help local authorities keep track of rogue landlords and property agents, and by doing so drive up standards in the private rented sector. The database is designed to help local authorities focus their enforcement actions on individuals and organisations who knowingly flout their legal obligations. LHAs must make an entry on the database for a person or organisation who has received a banning order.
<b>History</b>	In October 2018, the Prime Minister committed to opening up access to information on the database to tenants. In 2019, the Ministry of Housing, Communities and Local Government conducted a consultation on widening access and scope of the database.
<b>Criteria</b>	<p>Local Housing Authorities can make entries for a person who has:</p> <ul style="list-style-type: none"> <li>• Been convicted of a banning order offence that was committed at a time when the person was a residential landlord or property agent; and / or</li> <li>• Received two or more financial penalties in respect of a banning order offence within a period of 12 months committed at a time when the person was a residential landlord or property agent</li> </ul> <p>Banning order offences include:</p> <ul style="list-style-type: none"> <li>• Housing related criminal convictions</li> <li>• Immigration offences</li> <li>• Serious criminal offences</li> </ul>
<b>Access</b>	The database is currently only open to Local Authorities, who can view all the entries on the database, including those made by other local housing authorities. Records stay on the database for a limited time, determined by the LHA, with consideration of the severity of the offence, mitigating factors, culpability, serial offending and deterrence from repeat offending. A banning order must be for a minimum of 12 months.
<b>Limitations</b>	<p>The database can only function as an effective enforcement tool if all tenants have access to the register. Currently, the register is only accessible by local authorities, which limits the extent of its impact.</p> <p>The database is dependent on Local Authorities having both enforcement resource to convict and resource to upload entries to the register. This has resulted in significant variation in enforcement, with the Register not being fully populated.</p> <p>The list of offences is currently fairly narrow. There have been calls for the government to expand the scope of the database. Generation Rent, for instance have called for a 'rogue landlord' to be defined as: 'a landlord breaking the law, and/or knowingly or unknowingly letting a property that is endangering a tenant's mental or physical health'.<sup>28</sup></p>

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## London

The London Rogue Landlord and Agent Checker was launched in 2018 by the Mayor of London, Sadiq Khan, and has had more success than the national list, but is still patchy when it comes to enforcement.

### London Rogue Landlord and Agent Checker

<b>Purpose</b>	<p>The aims of the Checker are to:</p> <ul style="list-style-type: none"><li>• Empower private tenants to check their landlord or agent before they sign a rental agreement</li><li>• Facilitate better information sharing between enforcement authorities, improving enforcement action against bad landlords and agents who operate across London</li><li>• Provide a quick and easy way for tenants to make a complaint to a London borough</li></ul>
<b>History</b>	<p>The Checker was launched in 2018 by the Mayor of London, Sadiq Khan</p>
<b>Criteria</b>	<p>Relevant housing offences include:</p> <ul style="list-style-type: none"><li>• Criminal convictions (Housing Act 2004, Protection from Eviction Act 1977)</li><li>• Civil penalties (Housing and Planning Act 2016, Trading Standards) – two or more within a 12-month period</li><li>• Conditional discharge</li><li>• Redress scheme expulsion</li><li>• London Fire Brigade (LFB) prohibition notice</li></ul>
<b>Access</b>	<p>There are three tiers of access to the Checker:</p> <ol style="list-style-type: none"><li>1. Public Tier: This is accessible to the general public and includes a list of private landlords and agents who have faced certain enforcement action. The public records contain the following information:<ul style="list-style-type: none"><li>• Full name of individual or company and company number</li><li>• Type of enforcement action</li><li>• Full address of the rental property</li><li>• Offence</li><li>• Plain English description of the offence</li><li>• Street name and three digits of postcode from the landlord's home address or the company address</li><li>• Amount of fine issued</li><li>• Date of enforcement</li><li>• Expiry date of record</li></ul></li><li>2. Private Tier: This is only accessible to London boroughs and the LFB. It contains a greater range of enforcement actions with records viewable for a longer period. The private tier includes the fields above plus the full address of landlord or agent.</li><li>3. Reporting tool: This is a facility enabling private tenants to make a complaint about a landlord or agent to their local authority</li></ol>

<p><b>Legal Basis and Data Protection</b></p>	<p>The Legal Basis of the Checker is covered in the Mayor’s powers under Section 30 of the Greater London Authority Act 1999. Local Authorities signed up to the Checker have a general power of competence enabling them to do anything an individual does under the Localism Act 2011.</p> <p>GDPR and Data Protection compliance comes from Article 6 (1) of GDPR which allows for the processing of data “necessary for the performance of a task carried out in the public interest”.</p> <p>This is further supported by Section 8c of the Data Protection Act, which specifies that personal data can be processed if necessary for “the administration of justice”.</p>
<p><b>Limitations</b></p>	<p>There is patchy enforcement of the Checker, with some authorities uploading multiple entries, and other uploading none. This is due to either the political will of each local authority, or due to resourcing challenges.</p>

**Wales**

The Housing (Wales) Act 2014 established mandatory landlord registration and licensing in Wales, with the aim of improving standards and management in the private rented sector. Rent Smart Wales launched in November 2015, with a requirement for every landlord needing to register themselves and the addresses of their properties. Landlords and lettings agents who manage properties are also required to obtain a licence which includes passing a ‘fit and proper person’ test and mandatory training. Once completed, landlord registration is valid for five years, and upon expiry, landlords must apply for registration renewal. Since Rent Smart Wales was set up, over 92,000 landlords have registered, 34,000 landlords and agents have been licensed and 35,000 landlords have been trained.<sup>29</sup>

There are still issues with enforcement capacity in Wales, and the quality of training received. Local authorities have inadequate resources to proactively enforce the register, and this has resulted in gaps in information.



RentSmart Wales has a lot of issues. They have nowhere near captured the number of landlords in Wales due to a lack of enforcement. They make everyone do a half a day training course and suddenly they are classified as professional landlords.

**Interviewee**



<p><b>Rent Smart Wales</b></p>	
<p><b>Purpose</b></p>	<p>To improve the standards and management in the private rented sector.</p>
<p><b>History</b></p>	<p>The Housing (Wales) Act 2014 established mandatory landlord registration and licensing in Wales. As a result, the scheme ‘Rent Smart Wales’ launched in November 2015.</p> <p>Since November 2015, all landlords with privately rented property are legally required in Wales to register with Rent Smart Wales.</p>

<p><b>Process for Application</b></p>	<p>Under the legislation, every landlord in Wales must register themselves and the address of each of their properties, while landlords and agents who directly manage properties must obtain a licence which includes passing a ‘fit and proper person’ test and mandatory training.</p> <p>In order to register, a landlord will need to provide:</p> <ul style="list-style-type: none"> <li>• Personal details</li> <li>• Details of joint owners (including contact details and DOB)</li> <li>• For companies, charities and trusts, relevant registration numbers</li> <li>• Addresses for each of the rental properties for which you are a landlord in Wales</li> <li>• Details of letting / managing agent (if applicable)</li> <li>• Credit or debit card to pay the registration fee</li> <li>• Once completed, landlord registration is valid for five years.</li> </ul> <p>Landlords not involved in setting up tenancies and managing their rental properties do not need a licence; however, they must appoint a licensed agent to conduct letting and management activities.</p> <p>Those who manage properties themselves, must also take up a licence. The process for applying for a licence involves mandatory c.five to seven and a half hours of training either directly through Rent Smart Wales or through an approved external training provider. Training costs vary from £30–£140.</p> <p>In addition to proving evidence of completed training, landlords and agents will also have to submit personal identifiers. A licence is valid for five years and upon expiry, a renewal application will be required if the licensee is involved in letting and management activities. During the period a landlord or agent has a licence, they must comply with a Code of Practice, which has detailed guidance on areas such as collecting rent, property conditions, and access to a property.</p>
<p><b>Consequences for not complying</b></p>	<p>Anyone who rents a property when they are not on the register is committing a criminal offence. They could be fined up to £50,000 and be banned for five years.</p> <p>If a licence holder fails to comply with any condition of their licence or is no longer ‘fit and proper’ then their licence can be revoked. This means that the person can no longer undertake any letting or management activities – instead, they must appoint a licensed agent to act on their behalf.</p>
<p><b>Benefits</b></p>	<p>There have been several positive benefits of the scheme including:</p> <ul style="list-style-type: none"> <li>• The development of a database which can aid policy and targeted action</li> <li>• The establishment of a good working relationship between local authorities and Rent Smart Wales</li> <li>• Upskilling of landlords and lettings agents through training</li> <li>• The ability to disseminate useful information to landlords</li> </ul>
<p><b>Limitations</b></p>	<p>There a number of limitations with RentSmart Wales including:</p> <p>Lack of adequate resources for local authorities to enforce and deal with the additional administrative burden including the audit of agents. This has resulted in challenges in providing proactive enforcement</p>
<p><b>Costs</b></p>	<p>Rent Smart Wales is currently partly subsidised by the Welsh government, and partly revenue-generating through the registration and licence fees. Income generated from fees cover the cost of delivering the service as permitted by law. This includes work to process applications, help and support customers, and to secure improvements in the sector. This is achieved by ensuring licensees comply with their licence conditions and complaints and intelligence received are thoroughly investigated.</p> <p>A new licence fee costs £45 online, and £84 for paper. Renewing a licence costs £36 online, and £67 for paper. A new landlord licence fee costs £187 online and £223 for paper versions.</p>

## Scotland

Scotland was the first of the devolved administrations to mandate landlord registration. The Scottish Landlord Register came into play in 2006 with the Antisocial Behaviour etc. (Scotland) Act 2004. All landlords are obliged to register with a central online system, with licences lasting three years. In order to get a licence, landlords must complete a ‘fit and proper person test’ self-declaring criminal convictions, such as housing offences, fraud and sexual crimes. Landlords who do not register could be fined up to £50,000 and could also be banned for five years. Landlords who are caught to be lying about the information they provide, could be fined up to £1,000. Main criticisms of the scheme point to the poor data quality and the lack of enforcement activity.



In Scotland they have a register but there are issues with their data – the importance of their data and what information is kept is important for having a credible database.

### Interviewee



Scotland Landlord Register	
<b>Purpose</b>	<p>The landlord registration system requires each local authority to maintain a register of private landlords in its area, and to ensure that only those landlords it judges to be fit and proper are allowed on the register. Anyone who rents property when they are not on the register is committing a criminal offence.</p> <p>The purpose of the Scotland Landlord Register is twofold:</p> <ol style="list-style-type: none"> <li>1) To ensure that landlords know what they are doing, by deliberately listing out a list of key criteria – termed ‘prescribed information’</li> <li>2) To give Local Authorities the power to enforce against landlords who are not compliant</li> </ol>
<b>History</b>	<p>Landlord registration was introduced in 2006 by the Antisocial Behaviour etc. (Scotland) Act 2004. Over time, the fit and proper person test has been made more robust, and there have been heightened penalties for not complying. At the end of 2019, the government introduced ‘prescribed information’ – a move from simply asking landlords to select whether or not they comply with the law to listing out the key things they would need to have in order to comply.</p>
<b>Process for application</b>	<p>Private landlords must apply for registration by providing specified information and by paying an application fee. Local authorities have the power to decide who can legally operate as a landlord and the ability to refuse an application for registration if they are not satisfied that the landlord is a fit and proper person. The criteria include:</p> <ul style="list-style-type: none"> <li>• Information on the landlord’s past fraud, violence or drug offences</li> <li>• Evidence of discrimination</li> <li>• Information regarding whether the landlord has broken any other laws in relation to housing</li> <li>• Information showing that they are a poor landlord</li> <li>• Antisocial behaviour problems</li> <li>• Evidence of the landlord has an agreement with a letting agent (or anyone else who is acting on their behalf) that the terms of the agreement are adequate</li> </ul> <p>Private landlords will be given a registration number following this which will show that a landlord is approved by a local authority to let a property. Landlords must renew their application every three years.</p>

<b>Consequences for not complying</b>	Anyone who rents a property when they are not on the register is committing a criminal offence. They could be fined up to £50,000 and be banned for five years.
<b>Access</b>	The Scottish Landlord Register is fully accessible to the public. It allows the public to search the register of registered landlords in Scotland.
<b>Limitations</b>	<p>Currently, the Register is not functioning as a data gathering tool, but as a tool to allow Local Authorities to monitor the quality of landlords. There are improvements that will need to be made to the data quality and capture to ensure the Register could be opened up to other parties e.g. HMRC, DWP and lenders. Currently each of the 33 Local Authorities own the data they upload, which means it will be complicated to share data with other stakeholders.</p> <p>It is up to each Local Authority to effectively administer the Fit and Proper Person Test. This can create variation in enforcement activity. There is a reflection that Glasgow is pretty robust in ensuring data quality and have a good understanding of the landlord profile in each area. Other areas, however, are less robust in their proactive checking of landlords.</p> <p>There is no training of landlords as is mandated as part of RentSmart Wales.</p>
<b>Costs</b>	Currently the Register is subsidised, but the hope is for the Register to become cost neutral through the Registration Fee.

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### Northern Ireland

In Northern Ireland all private landlords must also register on a national scheme and could be fined up to £2,500 if they do not register or provide inaccurate information. There is no 'fit and proper test' or licensing scheme, as in Scotland and Wales, and there are issues in enforcement as local authorities have to enforce against the scheme, while the database is held centrally.

In order to fix enforcement issues, there are calls to move the register to be administered locally rather than centrally, with a lead authority, such as Belfast taking charge of the administration. The register would still be a single list, but local authorities would have the powers to manage it.

Northern Ireland has also invested in a Housing Rights Service, a third sector organisation co-funded with the government. This organisation has a landlord helpline, which landlords can access if they are registered. The government is also investigating funding a mediation service.



It is mandatory to register yourself but between a quarter and a third have not registered. Enforcement lies with the councils while the register is currently managed centrally. This creates issues.

#### Interviewee





Northern Ireland Register	
<b>Purpose</b>	The purpose of the Northern Ireland Register is to maintain a database of landlords in the country and allow local authorities to take action against landlords who are not on the register.
<b>History</b>	The Landlord Registration Scheme (Northern Ireland) Regulations 2014 enforced Landlord Registration in Northern Ireland.
<b>Process for Application</b>	<p>All landlords with properties in Northern Ireland must be registered and have a Landlord Registration certificate. The certificate is valid for three years. To register as a landlord, a landlord must provide:</p> <ul style="list-style-type: none"> <li>• Full name</li> <li>• Date of birth</li> <li>• Contact information (including address, email address, phone numbers)</li> <li>• Postal address in Northern Ireland</li> <li>• Company registration number (if the landlord is a company)</li> <li>• Name, address and contact number of any agent acting on their behalf</li> <li>• Address and postcode for each property let or to be let</li> <li>• Year each property was built</li> <li>• Name and contact details of any joint owners</li> <li>• House in Multiple Occupation registration certificate number if applicable to a property</li> </ul> <p>When registered, a landlord will receive a registration certificate with a unique registration number. They will also receive advice, guidance and links to information about the private rented sector.</p> <p>In addition to compulsory information above, for each property a landlord could provide voluntary information on:</p> <ul style="list-style-type: none"> <li>• Number of rooms</li> <li>• Type of heating</li> <li>• Type of glazing / doors</li> <li>• Energy performance</li> </ul> <p>This information will be gathered and may be published to help landlords and tenants; however, no individual or group will be identifiable from any information published.</p>
<b>Consequences for not complying</b>	<p>If a landlord is not registered, the council can take enforcement action against the landlord including:</p> <ul style="list-style-type: none"> <li>• A fixed penalty of up to £500</li> <li>• A court prosecution which could result in a fine of up to £2,500</li> </ul>
<b>Access</b>	<p>The Register is open to the public, with all landlords searchable by name or the property address.</p> <p>The full register information is not disclosed publicly but is available to local authorities and other appropriate bodies.</p>
<b>Limitations</b>	<p>While it is mandatory for landlords to register, between a quarter and a third have not registered. This is because enforcement lies with councils while the Register is administered centrally.</p> <p>There is no mandatory information required from a landlord regarding a property's quality or safety. This means the Register cannot be thoroughly used to monitor and maintain property standards.</p> <p>Although publicly accessible, the data quality of the database is poor – to successfully find a property on the database, the exact address must be searched (Number, Street, Town to the exact spelling and spacing as held in the database).</p>
<b>Costs</b>	The Landlord Registration certificate costs £70 for an online or telephone registration and £80 for using a paper registration form.

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## Other International Examples

### Republic of Ireland

The Republic of Ireland has a very robust landlord registration scheme. All landlords must register residential tenancies with the Residential Tenancies Board (RTB) and update information if a tenancy changes. The information is then fed into a public register of tenancies, which shows the property and number of bedrooms, but does not show information about the landlord.

Landlords are responsible for registering and collecting their tenant's Personal Public Service (PPS) number. When a new tenancy begins, the landlord must re-register. The basic rate of registering a private rented or approved housing body tenancy is €90 per tenancy (this is lower for student-specific accommodation). The landlord must supply information including:

- The address of the rented home
- The name, address and PPS number of the landlord (or registered number, if a company)
- The approved housing body (AHB) number, if a housing association
- The name and PPS number of each tenant
- A description of the property (for example, a two-reception, three-bedroom semi-detached house)
- The date the tenancy started
- The rent and how often it is paid
- The local authority area the property is located in
- The term of the lease if it is a fixed-term lease
- Whether it is a sub-letting
- Building Energy Rating (BER) if applicable
- Details of any management company or authorised agent

Each tenancy is allocated a Registered Tenancy number. Landlords face a fine of up to €4,000 and / or six months imprisonment for failing to register their tenancies.

They will also have to pay the RTB's legal costs of c. €2,500 plus VAT per case. The RTB also offers a dispute resolution service to landlords and tenants. This covers disputes about issues such as deposits, lease terms, rent arrears and breaches of statutory obligations.



In Ireland they have a landlord registration scheme which is quite pervasive. You cannot do anything without giving your landlord registration number – you cannot even pay your council tax. It is a very good way of starting to create a database of who is out there and what they are doing.

#### Interviewee



### Germany

Germany has a large private rented sector compared to the UK. 75% of households within the bottom quartile of incomes live in rented accommodation, and 45% of those in the highest quartile. The quality of housing in the rented sector is also as good as owner-occupied housing.<sup>30</sup>

This has led to soft rent regulation being in place since 1971 and tenants having a strong security of tenure. Leases are of unlimited duration, and rent increases are restricted to local rent caps. Rent deposits are limited to three months' rent. If the landlord sells the property, the tenant has pre-emption rights to purchase for the same property.



In Germany you get given so much information on your rights – how to make complaints, how to check up on landlord history. It is like a property MOT. You have your deposits held safely. You have tenant representation at regional government level.

#### **Interviewee**



From 2015, there is compulsory property registration such that everybody has to register their home address to the local citizens' office. Registration certificates are needed for many official functions such as receiving a residence permit, opening a bank account and receiving a tax ID. Remaining unregistered, giving incorrect details or registering late could lead to fines of up to €1,000.

#### **New York**

In New York there is a 'Worst Landlord Watchlist', which is published each year and lists the 100 worst landlords and buildings in New York City. The Office of the Public Advocate's Worst Landlord Watchlist is an information-sharing tool that enables tenants, public officials, advocates and others to identify which residential property owners consistently break the City's laws.

Landlords are ranked based on the number of housing code violations issued to their buildings by the Department of Housing Preservation and Development. The Watchlist also includes the 10 worst buildings for each borough.

Violations include: failing to provide self-closing public doors or adequate lighting in public areas, failure to remove vermin, immediately hazardous violations such as rodents, lead-based paint, and lack of heat, hot water, electricity, or gas.

Data for the Watchlist is obtained from open data sources from the New York City Department of Housing Preservation and Development (HPD) and the Department of Buildings (DOB), as well as the Department of Finance (DOF).

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### **Details of proposed National Landlord Register**

A National Landlord Register in England could follow the model of another devolved administration's register. There are certain things to consider:

#### **Registration process for a landlord**

In Wales, Scotland and Northern Ireland all landlords who let out property have to pay a registration fee and supply some basic information to join the register.

In Scotland, the process of registration is met with a 'fit and proper' person test, which requires an applicant to declare and detail any relevant spent or unspent convictions for fraud, violence or drug offences, evidence of discrimination, information on past housing related offences and other offences. The application process also captures information regarding voluntary accreditations and instances of previous licensing, registration or accreditation being revoked. The registration process also includes "prescribed information" which details and asks for self-declaration of compliance with a list of regulations and safety requirements.

In Wales, the 'fit and proper' assessment is performed as part of the licence application process rather than as part of the registration process. This 'fit and proper' person assessment accesses an integrated prosecution register containing housing offences in Wales. Along with assuring compliance to a code of conduct, landlords and agents who manage properties must undertake compulsory training. Mandatory registration means that a landlord cannot legally evict a tenant if they are not registered.

Anyone can register a property so for a lender, registration of a property is not a sufficient fit and proper person test; however lenders could take comfort in the mandatory licensing required for each property. Although the property owner has the potential to be a criminal, in theory the tenants will be managed and communicated with by licence holders.

Northern Ireland has no 'fit and proper' person test, so the registration purely serves as a record.

Of all three of these options, the Scotland option of integrating a 'fit and proper' person test into the registration process seems to be the simplest to manage and will be the easiest to enforce against as a lender. However, the Wales option has the added benefit of providing training to landlords and links a landlord's right to evict a tenant to registration, meaning the Register serves as a much more robust enforcement tool, as well as having an integrated check of a licence applicant against a prosecution register.

A combination of training and some sort of 'fit and proper' test will be essential for targeting the landlord groups detailed above.

### Property information

In addition to enforcing the assessment of landlords, a Register could be a powerful way of collecting and evaluating crucial information about a property. The information could be collected in a light touch way or through the development of APIs that link to existing databases. This may require or speed up digitisation of certain records, such as gas certificates. This information could include:

Property identification criteria:

- Property Address
- Unique Property Reference Number
- Property description:
- Number of bedrooms
- Type of property (e.g. semi-detached)
- Heat / fuel source(s)

Property conditions, such as:

- Gas safety annual certificate
- Electricity safety and application tests
- EPC certificates
- Damp / noise / heating elements of a standard
- Fire, smoke, heat, carbon monoxide detection
- Details of tenancy, such as:
  - Number of residents
  - Name of each tenant
  - The rent and how often it is paid
  - Date tenancy started
  - Term of lease
  - Whether it is a sub-letting
  - Tenancy deposit protection scheme
- Any enforced licensing (e.g. HMO licence)
- Property management agent

Making this information mandatory to upload will allow for targeted enforcement by Local Authorities, and the improving of property standards. For instance, Local Authorities could easily find areas where poor EPC standards are the norm, and target efforts in those areas. It would be useful for exemptions to be noted in a register too; for example, holiday lets. In the devolved nations holiday lets are exempt from landlord registers and licensing, This makes it difficult for lenders to understand whether a buy-to-let mortgaged property not on the register is non-compliant or exempt, for example, due to being a holiday let.

There could also be the potential for optional extra information, such as dates associated with certificates so landlord could opt in for notifications if certificates are coming up for renewal (akin to MOT reminders).

Currently, there is no exemplar model of this within devolved administrations; however, the Republic of Ireland register makes much of this information mandatory (see Appendix 5.2 for details). In Scotland, a key part of the registration process is the “prescribed information” which details and asks for self-declaration of compliance with at least 12 regulations, including gas and electrical safety and testing, fire safety and carbon monoxide detection, water supply and safety, energy performance, rental insurance, common repairs and tenancy deposits. There is evidence that landlords are responding honestly and flagging instances of non-compliance. This has allowed local authorities to target action and contact them to ensure compliance.

It will be important for the government to consider the user-friendliness of the registration dashboard and the final register, to ensure that it is easy for landlords to upload and revise their public profile. The government should leverage learnings from other registers in order to determine what works and what should be avoided.

### **Integration with National Rogue Landlord List**

It will be helpful for a National Register to integrate with a Rogue Landlord list, to give Local Authorities, any other statutory bodies, as well as tenants, full visibility. This already happens in Wales, where licence applicants are checked against a prosecution register of housing offences in Wales.

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### **Lender implementation roadmap**

In order to move this forward, lenders will need to take action to develop key partnerships with the government and other actors in the space.

### **Interrogation of Books**

As a first step, lenders should take action to evaluate their exposure to criminal landlords identified in the London Rogue Landlord List. Lenders should follow a similar process to evaluate their books against the existing Wales, Scotland and Northern Ireland registers. The results of this interrogation will be very helpful for subsequent external communications with government stakeholders and will help lenders evaluate the credit risk of criminal landlords.

## Internal Engagement

	Action Needed
<b>Senior Level Engagement</b>	<p>Share report and key recommendations</p> <p>Engage with internal senior stakeholders to come to a collective view on appetite and capability to act</p> <p>Set up a working group</p>
<b>Surveyors</b>	<p>Understand current buy-to-let and commercial loan criteria and survey process for rental properties and in particular the standards for 'lettable' properties</p>
<b>Onboarding Team</b>	<p>Remove blockers to customer engagement and capture consent</p>
<b>Legal Team</b>	<p>Discern the key legal challenges with working with and acting on any type of Register, changing lending criteria and client data protection issues</p> <p>Understand how to: change T&amp;Cs to include prescribed information on compliance, check customers against registers, and access property at a later date for inspections</p>

## External Partnerships

Lenders need to build partnerships with at least the following groups in order to determine how best they can work together. Many of these will be warm conversations from this phase of interviewing.

### 1) Government stakeholders:

- Department for Levelling Up, Housing and Communities (DLUHC)
- Greater London Authority
- Housing and Social Justice Directorate – Scotland
- RentSmart Wales
- Department for Communities – Northern Ireland

### 2) Landlord Associations:

- The National Residential Landlord Association (NRLA), which covers England and Wales
- Scottish Association of Landlords (SAL) in Scotland
- The Landlords Association for Northern Ireland (LANI)

### 3) Financial Institutions and bodies:

- Other lenders
- UK Finance
- The Intermediary Mortgage Lenders Association (IMLA)

### 4) Housing-related charities / think-tanks:

- Shelter
- Crisis
- Citizens Advice
- Joseph Rowntree Foundation

### 5) Tenancy Deposit Schemes:

- Deposit Protection Service
- MyDeposits
- Tenancy Deposit Scheme

### 6) Lettings Industry bodies:

- The Lettings Industry Council

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## Stakeholders Interviewed

We are grateful for those participants who gave their time to share views and participate in the interviews:

Type of Organisation	Organisation
<b>Government</b>	MHCLG (now DLUHC) – private rented sector Team RentSmart Wales Northern Ireland Government Greater London Authority
<b>Charities / Thinktanks</b>	Shelter Crisis Joseph Rowntree Foundation Generation Rent Advice for Renters Citizens Advice
<b>Academics</b>	Middlesex University York University
<b>Landlord / Agents / Associations</b>	National Residential Landlords Association British Property Foundation The Lettings Industry Council / Savills Hunters Dorrington
<b>Digital Players</b>	Metastreet Rightmove
<b>Lawyers</b>	Ex-Anthony Gold lawyer
<b>Lenders / Lender Bodies</b>	Nationwide UK Finance Lloyds Banking Group – with special thanks to Heather Cara

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# Endnotes

- 1 'DSS' stands for the "Department for Social Security", the government department that was replaced by the Department for Work and Pensions in 2001. The acronym is used to refer to tenants who will be paying some or all their rent using benefit payments. Lenders used to refuse mortgages to landlords who lent to these tenants.
- 2 English Private Landlord Survey 2018. 'Early career' defined as those who have been a landlord for three years or less. 'Mid-career' defined as those who have been a landlord for between four and 10 years
- 3 The private rented sector in the UK, UK Collaborative Centre for Housing Evidence, 2019
- 4 Time for Change: Making Renting Fairer for Private Renters, Shelter and Nationwide, 2020
- 5 Category 1 hazards are those that present a serious and immediate risk to a person's health and safety, such as death, permanent paralysis, permanent loss of consciousness, loss of a limb or serious factors. An example could include Excess cold with the potential of serious harm. This is defined by The Housing Health and Safety Rating System (HHSRS).
- 6 2020 data available here: <https://www.gov.uk/government/statistics/english-housing-survey-2020-to-2021-headline-report>
- 7 "Councils urged to make full use of penalties to tackle rogue landlords", The Independent, August 2021
- 8 "Only 39 rogue landlords and agents hit with banning order", The Guardian, April 2021
- 9 Landlord Today, July 2019
- 10 Centre for Public Data "A national landlord register for England: how to make it work", October 2021
- 11 "Where have all the housing EHOs gone", Metastreet, 2018
- 12 Citizens Advice
- 13 Please see Appendix for further detail
- 14 Centre for Public Data "A national landlord register for England: how to make it work", October 2021
- 15 <https://www.citizensadvice.org.uk/about-us/about-us1/media/press-releases/hazardous-homes-hundreds-of-thousands-of-private-renters-living-in-unsafe-properties/>
- 16 English Private Landlord Survey 2018. 'Early career' defined as those who have been a landlord for three years or less. 'Mid-career' defined as those who have been a landlord for between four and 10 years
- 17 The Evolving private rented sector, Julie Rugg
- 18 Ibid.
- 19 DSS stands for the Department for Social Security, a predecessor to the Department for Work and Pensions
- 20 Centre for Public Data "A national landlord register for England: how to make it work", October 2021
- 21 Hamptons International (Feb 2020)
- 22 "Renting from a private landlord", part of Ethnicity Facts and Figures (Gov.uk, Feb 2020)
- 23 <https://www.lbhf.gov.uk/housing/private-housing/property-licensing-landlords-and-letting-agents>  
<https://www.milton-keynes.gov.uk/housing/private-housing-and-landlords/hmo-licensing?chapter=3>
- 24 Centre for Public Data "A national landlord register for England: how to make it work", October 2021
- 25 An Independent Review of the Use and Effectiveness of Selective Licensing, London, MHCLG, 2019
- 26 Centre for Public Data "A national landlord register for England: how to make it work", October 2021
- 27 House of Commons Select Committee Report "private rented sector", Fourth Report of Session 2017-2019
- 28 Rogue Landlord Database Reform Consultation: Generation Rent Response
- 29 Landlord Licensing in the private rented sector: Research Report for Core Cities UK
- 30 Housing Policies in Europe, Dave Treanor
- 31 These estimates are based on interview feedback

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