HOUSE OF LORDS

Industry and Regulators Committee

Corrected oral evidence: Regulation of property agents

Tuesday 27 February 2024

10.30 am

Watch the meeting

Members present: Baroness Taylor of Bolton (The Chair); Lord Agnew of Oulton; Lord Best; Viscount Chandos; Lord Clement-Jones; Baroness O'Grady of Upper Holloway; Viscount Thurso; Viscount Trenchard.

Evidence Session No. 1 Heard in Public Questions 1 - 7

Witness

I: Conor O'Shea, Policy and Public Affairs Manager, Generation Rent.

Examination of witness

Conor O’Shea.

Q1 **The Chair:** This is the Industry and Regulators Committee. We are inquiring about private rented property, the lack of regulation and whether there should be changes. Our first witness this morning is Conor O’Shea from Generation Rent. Good morning, Conor. Would you like to say a few words explaining your organisation before we start with the questioning?

Conor O'Shea: Absolutely. Good morning, Baroness Taylor, and everyone in the committee. I am the policy and public affairs manager at Generation Rent. We are the national voice of private renters. We campaign on behalf of the 12 million people who live in private rented homes to ensure that they have somewhere safe, secure and affordable to live.

Thank you for having us here today. It is important that private tenants are heard from directly in this conversation. Sometimes, these discussions can happen in the abstract, and having the private rented voice here is really important. Any changes implemented or recommendations made on behalf of the committee should be done with private renters in mind. They are the ones who live this day in day out; it is their lives. It is very important that their voice is represented here today, so thank you for the invitation.

Q2 **The Chair:** Can you start by saying what you think are the key challenges and problems that private tenants are facing in their dealings with letting agents, the pressures on them and how these problems manifest in the existing arrangements?

Conor O'Shea: Absolutely. The best way to do so is to conceptualise it by looking at the three different times when a private renter interacts with a letting agent: before their tenancy begins and at the start of the tenancy; during the tenancy; and when the tenancy ends. The power imbalance that exists between tenants or prospective tenants and their letting agents is clear to see. We regularly hear from our members and supporters about it, and I am pleased to have the chance to address you about it today.

There is a crisis in the setting of pre-tenancy. We hear extensively, across the board, from tenants about problems with accessing a property. That is where some of the power imbalance between letting agents and prospective tenants is played out.

For example, Generation Rent’s winter survey 2023, which had over 1,000 respondents, showed a huge spike in mass viewings, which we characterise as a person having to view a property with two or more other groups. Five years ago, 9% of tenants said that they had to view a property with somebody else or with two other people at the same time. In 2023, it was 40%, so we are getting towards half of people having to view a property with other people at the same time. That is facilitated by a situation where letting agents can just fire people through, in and out.

We are also seeing bidding wars, potentially the most egregious thing that we deal with in this space, which is where tenants are encouraged or told to increase the price, sometimes multiple times above the advertised prospective rental income. In 2018, 3% of people responding to us said that that had happened; last year it was 21%. One in five people report being told by a letting agent or a landlord that they have to engage in a bidding war to be able to access a home.

The other thing, which we often see requested, is multiple months' rent. We have plenty of reports of people being told that they will not be able to access a property unless they have the ability or the willingness to pay two, three, four, six or even 12 months' rent up front, in advance, which is obviously a huge barrier for many people.

I have a number of case studies with me from the survey of our supporters. I have anonymised the names, but they all came directly into Generation Rent, and I will read them verbatim. Ann said that she was told twice, by multiple agents, that she was not able to view a flat at all unless she was willing to commit to paying six months' rent up front. She was not even let through the front door to view a property that she would have liked to live in unless she had a commitment to pay six months' up front, which is clearly unattainable for so many people in this economy.

During the tenancy, the second time that renters interact with letting agents that I mentioned, a number of problems with letting agents can happen. Of course, it is not all letting agents, but, again, we see power imbalances that are very difficult to square when you are a tenant. The first concerns complaints about problems in the tenancy. We all know what they might be: faulty appliances, problems with security or damp and mould, for example. If the agent is managing the property and the problems are not dealt with quickly, that will be a problem for a tenant. The letting agent's ability to potentially just ignore these problems is damaging tenants' lives.

It is worth noting at this point that that continues because of the threat of Section 21 no-fault evictions. The Renters (Reform) Bill in the other place promises to outlaw them but it has been very slow; we have been waiting a long time for it. As long as Section 21 exists in the back pocket of a letting agent, managing agent or landlord, these complaints will not be addressed adequately. That problem should be raised in this committee, even though it is slightly out of scope.

The other problem with letting agents during tenancy engagement is their vested interest in either raising the rent or changing the tenant. We know that, in many cases, a letting agent takes commission from a higher rent that comes in or takes a fee from a landlord to replace a tenant. We could have letting agents in the ears of landlords, saying, "You need to increase the rent this year", even if the landlord has little interest in doing so, because the agents would be making the gain. That is a really important structural problem within the system, which, if we were to engage with this and move forward with a regulator, should be within its scope.

Finally, I mentioned the end of the tenancies. Tenants regularly complain about spurious claims on the return of deposits. Letting agents and landlords know that, in essence, if there is a claim on any part of the deposit, none of the deposit is returned to the tenant, so they have leverage to hold the deposit, in a small amount, knowing that the tenant really needs the larger amount—the 95% of the deposit that is uncontested—to move on to a new home, be it a purchased one or one that they will rent.

Those are the three times at which tenants and letting agents have friction between them. I hope that some of those problems will come up later and we can discuss them in further detail.

The Chair: Thank you. You have outlined very clearly some of the significant problems that people are facing. We have been considering whether there needs to be a different regulatory framework. Are you saying that there is a complete failure of regulation in this area?

Conor O'Shea: To say it is a complete failure may be slightly overegging the pudding, but the way that the framework works is inadequate; it does not work properly. The existence of two redress schemes, which compete with each other for the business, if you will, of letting agents, is a system that does not work. It is a failure, in truth. In fact, in the Government's own words, it is not fit for purpose and should be changed to a single scheme.

The 2022 White Paper, *A Fairer Private Rented Sector*, the precursor to the Renters (Reform) Bill, says: "A single scheme will mean a streamlined service for tenants and landlords, avoiding the confusion and perverse incentives resulting from competitive schemes". Frankly, I could not put it any better myself. The notion that letting agents are the market and the two schemes are competing for their business means that they will not be as strong as they could be, and that the teeth that might come with enforcement will just not be there. We absolutely endorse a single scheme.

The Chair: Thank you. I am going to bring in Lord Best, who is quite an expert in this area.

Q3 **Lord Best:** Convention requires me to declare interests. I have declared interests in property on the official register, and I chaired the Regulation of Property Agents Working Group, which is behind some of the questions that we are asking today.

Conor, you have expressed the concerns that tenants have rightly brought to your attention regarding before, during and after the letting experience. To what extent, though, are the solutions to those problems outside regulation? Possibly, they are about the Renters (Reform) Bill and changes to the law, rather than the creation of a regulator. I confess to being strongly in support of a regulator, but I would like your views on what difference a regulator would make to this. You have explained about ombudsman services, and there are things to be done there. The regulator's powers would go much wider than those of an ombudsman, and I wonder whether those powers would address the issues that you are raising, quite properly, about agents.

Conor O'Shea: Thank you, Lord Best. Working in housing, I use this phrase very often, but it is no silver bullet. It is safe to say that the problems that I have identified go beyond the scope of a regulator or an ombudsman, or anything. We can speak extensively about other things that may happen, and housing supply is of course chief among them, but it is right and proper for you to ask what the regulator might be able to do.

There are things that a potential regulator will be able to do to address some of these concerns. It would be a question of raising the floor of standards; ensuring that, as a result of these things that are identified as poor practice and should not be happening, we find better ways to run the private rented sector, making sure that a regulator is able to identify them and use the powers given to it to drive up standards among the larger letting agents that would be under its jurisdiction.

Regulatory powers will, in theory, push up the quality of the work of letting agents because they will know that there is the threat of teeth, of tangible action, if the best practice or the outlined best mechanisms to run the letting sector are breached. That is an important way of doing it, in tandem with some of the ombudsman powers that Lord Best referred to.

Q4 **Lord Clement-Jones:** Good morning. I, too, need to declare an interest. I am chair of the board of Trust Alliance Group, which used to run what was called Ombudsman Services: Property, originally one of the three ombudsmen, I think, but we dropped out.

I want to go a little further than Lord Best in my question. You more or less said what you think the objectives of the regulator should be; you talked about the raising of standards. I want to try to unpack that a bit. What would a successful new regulator look like? How would you measure that? That is a fairly broad objective, is it not? What sort of measures or indicators would you want a new regulator to try to meet? Of course, you could answer that in various ways—I suppose there are questions of accountability, reporting and enforcement—but what does a good regulator in this space look like?

Conor O'Shea: Thank you, Lord Clement-Jones. That is a really good question. One of the key metrics is that the regulator is useful and can act, but it must also be something that people are aware of and that tenants use or is used to improve the tenant experience. We know that there are examples of regulators that do not work as well in that space because they are not used as well. It needs to make sure that letting agents have straightforward and practical ways for tenants to complain and that that is translated into problems being properly served and issues being dealt with.

Another key issue is the safety of tenants. That is a key metric to determine the success of any potential regulator. We need to ensure that poor practice that leads directly to the lack of tenant safety or security or the ill health of tenants is directly addressed by this regulator and can be dealt with.

I have another case study, from Martin. He said, "My letting agent said it was my responsibility to replace a defective smoke alarm. I had to contact the local authority to get them to replace it, and the agents are well known to them for this breach". In essence, he is saying that the safety that absolutely should have been under the remit of the letting agent was outsourced. Because he knew his rights, thankfully, he was able to go to the local fire safety authority, but the fact that it knew that this was a consistent pattern of behaviour and practice by this letting agent means that the safety of so many tenants who exist under that is undermined. Thankfully, there do not appear to have been dangerous outcomes in this case, but there could have been. We need to make sure that the regulator can have a look at a situation like that and say, "Here is tangible action that needs to take place to improve the safety of tenants".

Lord Clement-Jones: You are arguing for a pretty powerful regulator with quite a lot of tentacles, so to speak. How will you fund that?

Conor O'Shea: That is slightly outside the scope of Generation Rent's work. Ultimately, that would have to be determined at pay scales above our remit.

Lord Clement-Jones: I mean: how do you suggest that that is resourced? Perhaps I should put it in a different way. The kind of interventions that you are talking about—this is not just licensing but enforcement of a quite powerful kind, particularly on the safety aspect—involves dealing with individual complaints and a whole gamut of things, which, at the same time, implies quite a lot of resource.

Conor O'Shea: It does. That is a difficult question for me to answer. In theory, funding streams would be available through signing up to the regulator—there would be a cost to do so. It is important that the letting agents involved know that they are getting value for their money by being part of this regulator. They know that they are subjecting themselves to the level of scrutiny that means that they can continue to operate, and that those who do not do so should face the consequence of not being able to do so. That is a potential funding stream for it. I know that we exist in a context in which local authority budgets for things like this are very slim, but it is important that I raise these issues that could be addressed, while outsourcing, if you will, the funding question to others.

Q5 **Baroness O'Grady of Upper Holloway:** Good morning, Conor. I am Frances O'Grady. Some of these questions might feel a bit repetitive, but it is useful to go over them for our evidence base and the record. How easy or difficult is it, currently, for tenants to complain about letting agents and, beyond that, to get some justice at the end? It is clear that you believe that a regulator is needed, but how would that new regulator relate to the Property Ombudsman and other redress mechanisms? Do you have thoughts about that landscape and how it would work?

Conor O'Shea: Sure. If it is okay, I will answer your last question first, on how it would interact with the other ombudsmen. I apologise that I will sound slightly repetitive here, but there is an unknown in this question, which is the Renters (Reform) Bill going through the other place. It suggests a private rented sector ombudsman, which will be an important change. We think that that is very important for the reasons previously outlined and to engage with landlords in the private rented sectors. At the moment, we do not know all the details of how it will look, so we may have to reserve some judgment on the answer to that question until we know how the private rented sector ombudsman will shape up in this regulatory process.

But there is, absolutely, scope for these things to eventually come together to be brought under one. We may be a fair way away from that, but everybody who engages in the private rented sector in this space—letting agents, landlords, other individuals—are groups of people who deal with the lives of tenants and directly impact tenants' lived experiences in the private rented sector. There is perhaps scope for all those things to come under the same ombudsman at some point. However, I suggest that there are others around the committee table who are more expert in the mechanisms of ombudsmen than I am.

The answer to the question about how easy it is to deal with the current schemes is: not really. As I outlined, the redress system, with the two different competing schemes, is poorly designed. We think it probably has a limited scope—only consumer rights complaints are covered, and there is limited access for what it can do. The competition between the two schemes means low standards and lower levels of accountability and that, essentially, this level of competition is a race to the bottom, as opposed to bringing standards up and raising the floor. We have complaints of lengthy complaints processes in which people who are trying to engage with the redress schemes do not get fast answers to their problems. Often, they have moved on in their rental or property journey before an outcome is reached.

There is a lack of transparency and accountability of agents who face complaints. There is not much public knowledge or scrutiny of agents who consistently fail any of these redress scheme mechanisms. Coming back to the idea of utility—being useful—tenants do not know if they are about to engage with a letting agent with a history of these redress problems. That is a problem. If there were to be change in this space, it would mean public accountability and usefulness so that a tenant can say, "That letting agent has a very questionable history. Maybe I don't want to go there". That is an important element of what we are talking about here.

Baroness O'Grady of Upper Holloway: By way of follow-up, in our work on other regulators we have heard a lot of frustration from workers in consumer groups about lack of representation on a statutory basis, within the framework. How important is that to Generation Rent? Do you have thoughts about how that would be best realised to be meaningful?

Conor O'Shea: I am glad you asked that, thank you very much. We absolutely believe that the voices of tenants should be at the table in these things. As I mentioned at the start, these conversations can sometimes happen in the abstract, outside tenants' direct engagement. If that is within the scope of this, it would be very useful for tenants to have the knowledge that there is somebody they can speak to or a representative who knows about their lived experience, how it happened under the current system and why. That is why I am littering a few case studies across my evidence. We need to have the spoken voices of tenants here, engaging with the problems that they face. That is a really important way of doing it.

If there was to be a statutory consumer representative, which I think is what you are thinking of, it is important that landlords are not part of that because this a letting agent-tenant engagement and the tenant's voice here is necessary. I do not want to sound as though I am picking out landlords—that is not what I am doing. Landlords may be able to give some really helpful advice or interesting lived experience, but this is a tenant-focused exercise.

I will bring in another case study, from Sam, which outlines how the dynamic between landlords and letting agents can work in this space. Sam told us that his fixed term was about to end and the letting agent emailed him to say that the landlord wanted to raise the rent by 10%. Sam basically said, "We can't afford that, but we have the landlord's number, so we'll give them a call". He called the landlord, who said, "The letting agent was recommending that I raise it by 10% because they think that's what I can get". They then engaged in a negotiation and the rent rise ended up being 4% because the landlord realised, "I don't need 10%. I don't really know why. You're a good tenant. You're ticking over. You're paying your rent on time. You're looking after the property. There's no reason for me to drive you out".

Again, the vested interest there was in the letting agent space, and the landlord themselves did not need that. There is utility in a landlord stepping in to give examples like that, as opposed to being the one giving the true, face-to-the-fire experience of a tenant.

The Chair: That is a useful example, thank you.

Q6 **Viscount Thurso:** The working group suggested that a new regulator should operate codes of practice that agents would have to sign up to as a condition of a licence. From what you have already said, I assume that you broadly support that. What would you like to see in such a code of practice?

Conor O'Shea: You have correctly identified that that would be something that we might be interested in seeing. The key thing for us is that it should be an ethical code of practice—a statement that essentially outlines how they should act ethically to engage with tenants. There is a very important emphasis on the most vulnerable people who live in the private rented sector—migrants, families with children, households receiving welfare support, older renters and those with disabilities—who might be more vulnerable to poor practice. It is really important to ensure that they are at the heart of the code of practice.

For example, the code of practice should include the "no DSS" policy that we often see in adverts run by letting agents and landlords, which essentially means that tenants who are on benefits are ineligible to apply for the property. That is illegal and it should be updated to become more illegal by the Renters (Reform) Bill as it goes through, but we should ensure that it is codified in the code of practice to say, "You must not—you cannot—advertise property as 'no DSS' or as 'no access to people receiving benefits'", for example.

Of course, there is an important element of driving good practice through a code of practice in making sure—or hoping—that tenants stay in their home for as long as possible. It should encourage longer tenancies, not looking for the quick churn that I referred to earlier, and ending tenancies in an ethical, proper way—most notably in this case talking about revenge evictions. As I mentioned earlier, it should ensure that, if a complaint is made about a broken fridge, a toilet not working or damp and mould, issuing a Section 21 no-fault eviction and a "Bang, you're out" situation does not happen. A revenge eviction is illegal, but, while Section 21 no-fault evictions continue to exist, they can happen because there is no reason required for an eviction. People who might make complaints know that they can receive a Section 21 and ultimately that means they do not make complaints, so it is very important that letting agents have that built into the code of practice, at least as long as Section 21 continues to exist.

Viscount Thurso: You are absolutely right about the ethical base, but surely it will need more than just an ethical base to have the teeth that will be necessary to achieve the objectives that you are stating.

Conor O'Shea: Yes, it will, but that is a question of it being well written and of ensuring that you tangibly demonstrate that you are doing the things that you have signed up to do. I have a couple more examples here that might be of use in this case.

We are seeing letting agents taking commission from zero deposit schemes to push prospective tenants into them as opposed to a traditional deposit mechanism. We would suggest that the code of practice contains a transparency requirement, so that a letting agent stands up and says, "We are on commission by this zero deposit scheme. Try to sell it to the tenant if you wish but, ultimately, make sure that they know that a traditional deposit scheme remains possible". We suggest keeping the code of practice open, meaning that it is clear what a letting agent has signed up to and, if they breach it, it is clear that they have done so. That is a tangible example of that happening.

Viscount Thurso: The working group also suggested that property agents be mandated to be properly qualified. What would you see as being particularly important qualifications for them to have?

Conor O'Shea: Speaking of commission, I am not on commission from the Chartered Institute of Housing, but I had a look at its qualification. We think that that has a very useful framework, but we would make one addition. There are four mandatory units of their letting and managing residential property course: letting residential properties; property standards for the residential property; tenancy management for the residential property; and ending tenancies of the residential property; a fifth one is professional practice for letting agents. They are the five units that you have to pass to get this. We think that is a decent shape for what a qualification could look like.

One thing that we would like to add to that is support for low-income tenants. That is a space where letting agents can improve and where a qualification and a learning experience certainly could help, particularly when it comes to tackling rising homelessness and stopping the transition from private rented homes to homelessness that we see across the board and discrimination against tenants receiving welfare support, who are disproportionately female and disproportionately disabled or they have disabilities. For example, the additional unit could include understanding of how the welfare system works and how people are being paid and would be paying their rent, to try to keep people in their homes as much as possible, especially with the sorts of inconsistencies that can exist around universal credit and things like that.

We believe that there should be one person in each letting agent branch who is qualified to work with low-income tenants. This is an increasing concern. A qualification would be useful so that, even if not everybody in the letting agency was comfortable with that sort of circumstance, there would be somebody who was qualified and trained to deal with the concerns of people who are on low incomes and have the problems specifically associated with that.

Again, we have an interesting, and sad, case study. It is from Jessica, who wrote in to our survey. She said, "Even though estate agents and landlords cannot legally refuse DSS people like me—people who receive benefits—I feel like they found new ways to be elitist, by asking for annual incomes way above any reasonable amounts and refusing anybody who earns less but would still be able to pay the rent the opportunity even to view a property. I was refused a viewing based solely on my income, which, had it been what the landlady wanted, would have been enough a year to buy my own property. It left me feeling very hopeless and the mental health impacts of these circumstances are very real".

We know that people who are on low incomes or receiving benefits are finding it increasingly difficult to find a property, and the behaviours of letting agents can exacerbate that situation. A qualification and a learning for letting agents to deal specifically with people like that, to know how best to get them into and keep them in tenancies, and to understand the financial and life circumstances around their payment of rent and things like that, is a very important added element that I would suggest to bring in here. I am sorry that that was a very long answer.

The Chair: Do you feel that these problems that you are outlining are universal throughout the country? We think of them primarily as city problems, but clearly they are not just city problems. Do you think that what you are talking about is becoming common practice throughout the country? Has it changed?

Conor O'Shea: I absolutely think that this is a universal, country-wide phenomenon. I know that there is sometimes an association with renting and renters—ironically enough, coming from an organisation called Generation Rent—that it is a young city person's issue. It is absolutely not that. All the people that we speak to have faced these problems, in rural areas and across lifespans and demographic groups; across ages and stages, if you will. All the evidence we see is that it is happening to everyone. Geographically, these problems are certainly not limited to the most high-rent areas.

I have recently undertaken a project in Suffolk, and I know that these sorts of concerns exist in rural areas in Suffolk as much as in cities. Obviously, affordability is the big problem with the private rented sector at the moment, and that is a universal, national problem. These poor practices often come with lack of affordability and supply.

Viscount Chandos: This is not really a follow-up to that specific question but goes back to the case study you gave of the agent that had recommended an increase that the landlord, on probing, said they did not need. That is obviously one example. Another is landlords who do believe they need it, rightly or wrongly, because of their increasing costs. How do you manage expectations among the 12 million people in private rented accommodation as to the limits of what a regulator can do under the current legislation about the bigger issue? You alluded at the beginning to the issues of shortage of supply and so on. What proportion of that 12 million will say, "Great, there's a regulator. That implies controlled rents", as it were?

Conor O'Shea: Unfortunately, the expectations of the 12 million people who live in the private rented sector are broadly quite low. People who have lived experience of renting in the United Kingdom in 2024 are well aware of the problems that exist and of their lack of rights to address them. At Generation Rent, we say that tenants are one of the few groups that sometimes feel more demoralised on learning their rights than before they knew them, because they may have thought that something might be coming through in the regulations that might help them in their particular circumstance—be it a no-fault eviction or a case of their rent being increased way above what is reasonable—only to find that, no, that practice is completely legal and they have no rights. That is a very difficult circumstance for people to find themselves in. I do not think the introduction of a regulator would be seen as a silver bullet by renters, who are quite beleaguered in understanding their rights and how they work. In truth, I do not think that would be a problem.

Viscount Chandos: I guess there are different stages, are there not? You introduce the regulator and that addresses some of the micro issues, in economic terms, that are very important to the tenant concerned, and then with time, people say, "But what's it doing about the macro issue—the affordability?"

Conor O'Shea: Yes, absolutely, but those problems could in theory be addressed in tandem, as we always say. The introduction of a regulator and the driving up of standards is a positive thing, as you said, for the tenants in question who are dealing with that, and we would welcome that. At the same time, we could be dealing with the structural issue of Section 21, which is the key cause of some of the misery that is seen in the private rented sector, both in terms of standards and evictions, while also addressing the concern that there are not enough homes in this country—they must be built and be affordable. In a Utopian world, I hope that those three could all work together, and we might start to address the macro at the same time as the micro.

Viscount Chandos: Can I belatedly declare an interest? Until recently, I was a trustee of Esmée Fairbairn Foundation, which funded Generation Rent.

Q7 **Lord Agnew of Oulton:** I declare an interest: I have a property company. Conor, I will break my question into three parts. First, do you not feel that you are largely shooting at the wrong target by claiming that we need more regulation in the system? Is not the elephant in the room that we have a chronic shortage of housing in this country? We are 3 million dwellings behind where we should be. Apparently, 48% of heads of households are spending 40% of their income on rent, compared to 25% in mainland Europe. We have a huge immigrant population that bears no relationship to the infrastructure that we should be building to meet that. For example, 65% of private tenants in London were not born in this country, and 45% in social housing were not born here. I do not have a problem with immigrants, but why are we not building infrastructure? Surely that is where you should be going. That is my first question.

Secondly, you have your Corbyn-type stories of ill treatment of tenants. Of course, there are bad landlords and bad agents, just as there are bad MPs, bad Peers, bad doctors and bad lawyers. There are endless regulators for all those people, but you cannot regulate away bad behaviour. Are you taking into account the impact on landlords over the last few years of probably 20% inflation? Interest rate inflation is about 300%, so if you were paying a variable mortgage three years ago on buy to let, you were paying about 2%; now you are paying 6%. How about the impact of all the extra health and safety regulations, such as, post-Grenfell, the extra inspections that have to be carried out on buildings?

What if you have bad tenants? I have a tenant who has not paid a penny for 18 months and refuses to let us go in to do a gas safety inspection, so I have to go and get another court order, on top of trying to get them to pay the rent, to get access to the premises. There is a much bigger story going on here, but the problem is that we are not building enough dwellings for the size of the population and the rate of growth.

On the point about the regulator, why not improve all the various redress systems that already exist, rather than layering another lot of bureaucratic process over the top of them? There are ombudsman systems; I do not know how well they work—probably not very well—but why do we not try to fix those first?

The Chair: There is quite a lot to unpack there. Over to you.

Conor O'Shea: It is not a problem. There were three questions in there, and I will answer them in the order in which they were asked.

Shooting at the wrong target has been a theme of the evidence session so far, in that we know that this is not the silver bullet—it will not solve it all. We know that more homes need to be built; on that, we are absolutely in agreement. We are well short of where we need to be, housebuilding-wise. We are especially short in the space of social housing. We do not have enough of that; we do not have enough homes across the board. That is driving high rents. We are totally agreed on that point. But, as I just said to Viscount Chandos, we do not need to deal with these in order; we can deal with them together, at the same time. We can ensure that we deal with the chronic issue of housing supply in this country while also addressing standards issues that exist in the private rented sector for the people who are suffering.

That comes on to the second question, on demonising landlords. That was not the impression I was hoping to give; I really hope that that is not what I have said, because we are not demonising landlords here. There are bad landlords, criminal landlords and landlords who exist outside the law. Sadly, that will continue to happen, but we need to have as many teeth and weapons as we can to deal with those people and the misery that they enact on the tenants who live with them. They also undercut the landlords who are running proper operations. I think everybody in this room is united on the idea that criminal landlords must be driven out of the market, as well as the criminal letting agents that we are talking about.

I push back on the notion that the stories that I have given as case studies are not representative of society. We represent the 12 million people who live in private rented accommodation. As I said, they are people of all ages and stages, all demographics and all different political persuasions. There is no notion that this is party-politically motivated—that they are disproportionately in one direction. This is a universal problem. What is striking about the private rented sector is that it has become the norm that treatment like this exists. But it is not normal, and it should not be treated as normal. The action that a committee like this is taking in looking at how we can find practical, tangible solutions to the crisis of standards and of treatment is really powerful, so I thank the committee again for taking the time to do this.

On the third question about improving the redress scheme, earlier I outlined a couple of things, but the key one is making sure that there is one scheme, moving away from competition and ensuring that it is tangibly useful—that there is evidence that a tenant can look in relation to the history of a letting agent that they are dealing with and, crucially, that they are held to account properly by the redress schemes, as opposed to having competition between the two of them.

Lord Agnew of Oulton: Conor, I just ask you to remember that if you overregulate, you will chase more and more landlords out of the system. The elephant in the room is a drastic shortage of housing, both rented and owned. I built three build-to-let buildings a few years ago because I wanted to do my bit to create property for rental people. I will not do that again. I feel a complete idiot, having put all that capital into that investment, to see the hassle that I get from it, and that is before you bring in a new regulator. You will just chase out the good guys; you will not chase out the crooked landlords who turn up at four in the morning, throw everything into garbage bags and kick out the tenants.

What about the tenants? I have tenants who strip the properties and take all the white goods with them. There are bad people everywhere. The reason why the behaviour is getting worse is that there are not enough properties. We are fighting over a pie that is not big enough.

Conor O'Shea: We agree that the pie is not big enough.

Lord Agnew of Oulton: That is why I urge you to put your energy—you are very articulate and you speak for a very large number of people—into the fact that we have to build more blinking houses. Everyone flails around and says it. You said that we can do these things in parallel. Well, why aren't we? That is the question.

You complained earlier about having multiple viewings of a property. There are multiple viewings only because there are multiple people who want to live there. Nobody is being unreasonable; they are behaving in a perfectly rational way. That is what supply and demand does. I hear all you say, and no doubt we will get another regulator. Look what they have done in Scotland: they have put in rent controls. Has that helped the supply of housing in Scotland? No. Just bear that in mind for the future. Thank you.

Conor O'Shea: May I quickly place on the record that Generation Rent advocates for housebuilding? If you go to the website and look at our publications and so on, you will see that we are very pro the building of more homes across the board. That is a very important part of what we advocate for.

The Chair: I think we would all agree with that.

Baroness O'Grady of Upper Holloway: I just have a little question. I think we are all in violent agreement on the need to tackle the supply and quality of affordable homes.

You talked about the power imbalance, which is real. When I was a kid, every estate and block of flats had an active tenants’ association that helped redress some of that balance. I would be interested in any thoughts you have on the statutory voice for tenants and the question of accountability, making sure that it is rooted, as we heard today, in real tenants’ experiences. Across the regulators there does not seem to be a lot of thought about how we make such positions real, vibrant and accountable to the consumer.

Conor O'Shea: Thank you for raising that. Were we to reach that stage in this process, we would be delighted to engage on how we can bring the tenant’s voice directly into how a regulator or any other scheme may work. Generation Rent is willing to help, and I am sure that plenty of other really active and engaged tenants’ organisations that we work with closely, both locally and nationally, would be in the same boat, hoping to engage.

I know that local authorities are increasingly stepping up their private rented sector engagements. There are some good practices now of local authorities running tenant engagement programmes, hoping to shape their policy through direct engagement with tenants. We welcome that extensively and hope that those voices can be heard in that space, too.

Baroness O’Grady of Upper Holloway: Fantastic, thank you.

The Chair: Thank you very much for your evidence this morning. You have given some very tangible examples. I think we all accept that we are not looking for a silver bullet here but perhaps one part of a solution, and the information that you have given us has been very helpful, so thank you very much indeed.

Conor O'Shea: Thank you, Baroness Taylor, and the committee for your time.