



House of Commons

Levelling Up, Housing and
Communities Committee

The Regulation of Social Housing: Regulators' responses to the Committee's First Report

**First Special Report of
Session 2022–23**

*Ordered by the House of Commons
to be printed 19 October 2022*

HC 824

Published on 24 October 2022
by authority of the House of Commons

Levelling Up, Housing and Communities Committee

The Levelling Up, Housing and Communities Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Levelling Up, Housing and Communities.

Current membership

[Mr Clive Betts MP](#) (*Labour, Sheffield South East*) (Chair)

[Bob Blackman MP](#) (*Conservative, Harrow East*)

[Sara Britcliffe MP](#) (*Conservative, Hyndburn*)

[Ian Byrne MP](#) (*Labour, Liverpool, West Derby*)

[Florence Eshalomi MP](#) (*Labour, Vauxhall*)

[Ben Everitt MP](#) (*Conservative, Milton Keynes North*)

[Darren Henry MP](#) (*Conservative, Broxtowe*)

[Kate Hollern MP](#) (*Labour, Blackburn*)

[Andrew Lewer MP](#) (*Conservative, Northampton South*)

[Mary Robinson MP](#) (*Conservative, Cheadle*)

[Mohammad Yasin MP](#) (*Labour, Bedford*)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

© Parliamentary Copyright House of Commons 2022. This publication may be reproduced under the terms of the Open Parliament Licence, which is published at www.parliament.uk/site-information/copyright-parliament/

Committee's reports are published on the Committee's website at www.parliament.uk/luhc and in print by Order of the House.

Committee staff

The current staff of the Committee are Gary Calder (Media and Communications Manager), Eleanor Ferguson (Committee Specialist), John-Paul Flaherty (Clerk), Eldon Gallagher (Committee Operations Officer), Georgia Harris (Sandwich Student), Whitley Lane (Committee Operations Manager), Rebecca Lees (Second Clerk), and Paul Owen (Committee Specialist).

Contacts

All correspondence should be addressed to the Clerk of the Levelling Up, Housing and Communities Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6930; the Committee's email address is luhccom@parliament.uk.

You can follow the Committee on Twitter using [@CommonsLUHC](https://twitter.com/CommonsLUHC)

First Special Report

On 20 July 2022, the Levelling Up, Housing and Communities Committee published its First Report of Session 2022–23, *The Regulation of Social Housing* (HC 18). On 20 September 2022 we received the Housing Ombudsman's response to the report, and on 23 September 2022 we received the Regulator of Social Housing's response, both of which are appended below.

Appendix 1: Regulator of Social Housing Response

Introduction

We welcome the publication of the Committee's report on the Regulation of Social Housing (RSH), and its recommendations for the sector as a whole. We thank the Committee for its work on this Inquiry into the quality and regulation of social housing in England.

In our response, we have included the relevant paragraph number in the Committee's report which relates to the specific recommendation we are responding to.

Housing disrepair

1. We agree with the Committee that the sector needs to ensure it prioritises the quality of housing being provided to tenants. Every tenant deserves to live in a safe, decent, and good quality home. It's clear from the Committee's report, and from some of our own casework, that at times some landlords have failed to provide that consistently. Our messaging to the sector has been and remains unequivocally strong and clear on this issue; that registered providers should maintain a constant focus on delivering safe, good quality homes and treating tenants with respect, and where things are going wrong, act promptly to put them right. (Paragraph 18)
2. We agree with the Committee's conclusion that the majority of social housing in England is of a decent standard. Our experience as the sector's regulator is that the examples of disrepair that we see in our case work and highlighted by the Inquiry, while wholly unacceptable, are not representative of the majority of social housing tenants' experiences. (Paragraph 18)
3. We agree that it is imperative that providers understand the condition of their stock in order for them to ensure they provide homes of a decent quality. Our recently published *Consumer Regulation Review 2021/221* sets out the importance of providers having accurate data about the condition and safety of tenants' homes, as well as about the diverse needs of their tenants. In some of the cases where we have found a breach of our consumer standards, providers did not have accurate data about their stock, which contributed to our finding a breach of our standards. In the current Statistical Data Return we have emphasised the particular importance of providers having good quality stock condition data and accurate reporting of compliance with the Decent Homes Standard (DHS). We

will collect more data from providers on the Decent Homes Standard from next year and are already focusing on providers' understanding of their stock in our regulatory engagement with them. (Paragraph 50)

4. We are progressing our work to review the consumer standards, which will set the outcomes we expect providers to achieve in a proactive consumer regulation regime, including in relation to the quality of their homes and repairs services. As part of this work, we will carefully consider our expectations of providers in relation to understanding the condition of their homes. We have also recently confirmed the outcome of our consultation on the new Tenant Satisfaction Measures (TSMs), which include measures on repairs performance; DHS and statutory Health and Safety compliance; and tenants' experience of the quality of their homes and repairs services. (Paragraph 50)

Treatment of tenants

5. We agree that providers must take concerns over stigma and discrimination seriously, and work towards reducing the factors leading to it, including acting to empower and involve their tenants. Our existing standards include requirements that registered providers should:

- treat their tenants with fairness and respect
- take into account the diverse needs of their tenants in the delivery of their services and in their decision making; and
- provide opportunities for tenants to influence the management of their homes, alongside broader decisions and strategic priorities of their landlord's housing provision. (Paragraph 63)

6. We expect boards and governing bodies to assure themselves that they comply with the standards. We are considering how these requirements will be set in a future suite of consumer standards and how we might proactively regulate them. The requirements on providing opportunities for involvement may, for example, include supporting tenant panels and groups. The consultation on the new standards, which is planned to take place in 2023 (subject to enactment of the Social Housing (Regulation) Bill and Direction to the regulator by the Secretary of State), will provide an opportunity for all stakeholders to feed into how these issues are addressed in the new consumer regulation framework. (Paragraph 68)

7. Our overall intention for the new standards will remain to set clear outcome-based expectations that all registered providers must meet, including in relation to how they deliver their services to achieve the right outcomes for tenants. The sector is hugely diverse. By setting outcomes that registered providers must achieve, and seeking assurance that they are achieving them, registered providers and their tenants are enabled to design the most appropriate way to meet their outcomes according to the needs of their tenant base. An important part of the assurance we will be seeking will be how providers take into account the views of tenants in the management of their homes and that tenants are given opportunities to influence providers' policies and decision making with respect to housing. (Paragraphs 68 and 97)

8. In relation to the TSMs, following a period of consultation which concluded earlier this year, we have recently published a final suite of TSMs. We welcome the fact that over half of the respondents to this consultation were social housing tenants. We want TSMs to be a valuable source of information for tenants as well as landlords themselves. We will use TSM information as one of our sources of regulatory intelligence. In developing the measures, we have strived to achieve the white paper's aims for TSMs. In our consultation we also set out a number of principles for the TSMs, one of which is that the TSMs should ensure comparability of performance so far as is possible and limit the scope for gaming. We intend to review our TSM requirements at an appropriate point after implementation, to ensure that they are working as an effective tool for tenants and for us. (Paragraph 76)

The roles of RSH and the Housing Ombudsman

9. The role of the Housing Ombudsman is to deal with individual complaints, whereas the regulator's role is broader. Our role focuses on how the landlord is performing at an organisational level in respect of both economic and consumer issues. RSH and the Housing Ombudsman work closely together to drive continual improvement in the sector including on managing tenants' complaints. We will continue to co-operate and share information with the Ombudsman on relevant matters and communicate at a senior and operational level to discuss matters of mutual interest, including in relation to relevant casework. We have a strong and constructive relationship with the Housing Ombudsman, which we will continue to maintain and build on. (Paragraphs 118 and 156)

10. In our proactive consumer regulation regime, we will draw upon the Housing Ombudsman's findings where they have considered tenant complaints, to help inform our view in the round of a provider's compliance with the consumer standards. In line with our risk-based approach, as a result of the Ombudsman's findings we may decide to reactively engage with a provider outside of our planned programme of engagement. As part of this engagement, we will seek assurance about whether the provider is compliant with our standards and will hold them to account to put things right where they do not meet our requirements. (Paragraph 118)

11. We agree that tenants should know how to make a complaint, including what they can do if the complaint is not resolved by their landlord. Tenants should initially raise any complaint with their landlord and follow their landlord's complaints policy. As part of our work to review the consumer standards, we will also consider our expectations of providers in relation to their approach to complaints. (Paragraph 133)

12. We will continue to signpost queries and complaints we receive to the Housing Ombudsman where that is the appropriate route for redress, as agreed in our current Memorandum of Understanding with the Housing Ombudsman. (Paragraph 114)

Social housing regulation

13. We welcome the Committee's recommendations regarding our role, which are both timely and very helpful at this point. We will carefully consider them as we continue to develop our approach to proactive consumer regulation.

14. The Social Housing (Regulation) Bill is currently before Parliament. Once enacted, we will be able to shift from our current reactive remit to proactive regulation of our revised consumer standards. We are already working on this significant change, which alongside revised consumer standards will include a new approach to gathering assurance about how providers meet them. Our approach to regulation will involve the collection of new data, triangulating evidence from a range of sources including from tenants, and the Housing Ombudsman, as well as provider assessments and other sources.

15. We have identified a number of themes that we think the revised consumer standards should cover. We are already and will continue to engage with stakeholders, including tenants, to help shape our thinking on the scope of those standards and to ensure they meet our three tests - that they make a meaningful difference to tenants; are deliverable by landlords; and can be regulated effectively. In this work, we will build on the best aspects of the existing consumer standards as well as incorporating the new expectations set out in the Bill and social housing white paper. Our development of the new standards will comply with any Direction issued by Government; and will be guided by our principles, fundamental objectives, and the outcomes we have set out.

16. As set out above, we intend to retain our outcome-focussed approach to the standards as set out in the social housing white paper, which providers' boards and governing bodies will continue to be responsible for meeting. Our experience of economic regulation is that our co-regulatory approach of seeking assurance from providers that they are meeting our standards ensures that the boards of providers focus on delivering the best outcomes rather than just doing the minimum to ensure compliance with specific requirements. Our approach is consistent with regulatory best practice and with the Regulator's Code, and we strongly believe that it is more likely to successfully deliver the shift in culture within landlords that we are seeking to achieve through proactive consumer regulation.

17. We will ensure we set clear expectations regarding the outcomes providers should achieve in the revised consumer standards, but we will not be prescribing exactly how providers should achieve those outcomes. We think that this is effective in enabling providers to determine how to deliver their services in a way that best meets the needs of their tenants.

18. We will carry out public consultation on the draft new consumer standards, which is planned to take place in 2023 (subject to enactment of the Social Housing (Regulation) Bill and Direction to the regulator by the Secretary of State). Once the standards are finalised, we will set out our approach to gaining assurance from registered providers that they are meeting those standards, which will include seeking insight directly from tenants, as part of our assessments. Our consultation on the revised standards, and subsequently our implementation of our regulatory approach can commence once Parliament has passed the Bill to change our objectives and legal powers, and once Government has directed us as to the content of our standards. (Paragraph 163).

19. In 'Reshaping consumer regulation: our principles and approach'² we have set out the outcomes that we expect proactive consumer regulation to deliver. We expect proactive consumer regulation to drive up performance in registered providers. The fact that the consumer standards will be proactively regulated already is and will continue to incentivise performance within registered providers. We will also have greater opportunities to identify issues and more tools for us to be able to intervene for those

providers who are not delivering the required outcomes for their tenants. Government has committed through its Social Housing (Regulation) Bill impact assessment to review the impact of the changes after 4 years; we welcome this and will work with Government on it.

20. As we develop our new proactive consumer regulation approach, we will be considering how we ensure a proportionate approach where providers do not meet the new standards. This will be informed by engagement with stakeholders including tenants and landlords. We will be guided by the approach set out in the social housing white paper which maintained the commitment to the regulator focusing on organisational issues and the Housing Ombudsman on resolving individual complaints (paragraph 156).

21. The regulator has a wide range of regulatory and enforcement powers, and the Social Housing (Regulation) Bill includes new powers to support our expanded role. We welcome these new powers which will strengthen our ability to act across a range of different circumstances. We will be consulting on our use of powers, as well as the revised regulatory standards (subject to enactment of the new legislation and Direction by the Secretary of State). (Paragraph 198)

22. In the meantime, we continue to apply our current consumer powers robustly, and encourage providers to improve their services and engage with tenants as appropriate. We share the learning from our casework³ with the sector, encouraging them to reflect on the lessons from these cases and seek to strengthen their systems and processes accordingly.

23. We make use of our statutory powers when they are needed, depending on the presenting issues in the case and the approach that we judge is most likely to resolve matters and achieve the right outcomes for tenants. Providers take our engagement with them seriously. The effectiveness of our framework and our co-regulatory approach means that, in the majority of cases, we successfully secure the changes in providers that are necessary to ensure compliance, and we only need to escalate to the use of powers in a minority of cases. Our powers also act as a deterrent. We anticipate that this will be true for the additional powers proposed. The more proactive approach to consumer regulation and removal of the serious detriment test will increase the range of circumstances where we could potentially use our powers and we will be prepared to do so when necessary. We will continue to be mindful of our statutory duty to minimise interference. However, we will take action when we consider that it is appropriate to do so. As part of our work to develop the proactive consumer regulation regime, we will consider how and when we might use our powers. We are required to issue statutory guidance on the use of our powers, and this will be updated and subject to consultation once our new and strengthened enforcement powers in the Bill have received Royal Assent. This ensures transparency and provides an opportunity for stakeholders to comment on how we use our powers. We are clear however that our aim will be to use the most appropriate tools to achieve the desired outcome. (Paragraph 198)

24. We will continue to actively engage with providers where material concerns about a breach of our consumer standards are identified, considering the most appropriate action to take on a case-by-case basis. Currently, where we identify a problem in a provider, we act promptly to seek evidence and assurance about the relevant issue, before making a decision as to whether the standards have been breached and if so, whether this has resulted in serious detriment to tenants. We hold landlords to account and seek assurance on the scope of any failings and any remedial action necessary, together with a timeline

for achieving the actions. This includes understanding any risks to tenants and seeking assurance that appropriate mitigations are in place. Where we find serious issues that do not meet the threshold for intervention under the, (to be removed), Serious Detriment test, we still hold landlords to account and seek assurance from them that the issues are resolved and that the risks to tenants are minimised. We will continue to act on such intelligence in the revised regime. (Paragraph 156).

25. We welcome the Committee's recognition of the effectiveness of our economic regulation of registered providers. We believe that our economic regulation continues to deliver security and stability for the sector and for tenants. Our role ensures that the social housing sector as a whole continues to be financially viable and well governed, and so far as possible tenants are protected from the risk of losing their home should their provider become unviable. We intend to bring the experience of our strong track record on economic regulation to our proactive consumer role. (Paragraph 186)

26. We will seek to ensure that we have the capacity and skills to continue to regulate the economic standards robustly and will continue to ensure we keep pace with the evolving challenges faced by the sector and their potential impacts. (Paragraph 186)

27. In summary, we look forward to continuing to work with tenants and other stakeholders as we develop a new proactive consumer regulation regime.

28. We thank the Committee again for their work on the Inquiry.

Appendix 2: Housing Ombudsman Response

Housing Ombudsman's response to the Select Committee report on The Regulation of Social Housing

The Housing Ombudsman gave evidence, both oral and written, to the Select Committee's inquiry into the quality and regulation of social housing. We welcome the Committee's important work in this area.

The Committee's report sets out several important conclusions. In particular, the Ombudsman welcomes the strong emphasis the Committee has placed on effective complaint handling in the social housing sector.

A number of the report's recommendations relate to, or have implications for, the work of the Housing Ombudsman. Our response is set out below.

Recommendation 13

If they have not already done so, all providers must immediately review and where necessary improve their complaint handling processes. As part of this, all providers that have not already self-assessed against the ombudsman's complaint handling code should immediately do so. We also recommend that the ombudsman more proactively monitor providers' compliance with the code.

We believe the Complaint Handling Code has had a significant and positive impact on social landlords' approach to complaint handling. There has been a high level of engagement with the Code with more than 4,000 downloads of the self-assessment form and 796 attendees at Ombudsman-led training events since July 2020.

Compliance with the Code is a condition of membership of the Housing Ombudsman Scheme and therefore the Ombudsman expects member landlords to meet the required elements of the Code, including the definition of a complaint, handling stages and timescales. Revisions to the Code, published in April 2022, are explicit on the mandatory elements and we have asked all landlords to self-assess and comply by 1 October 2022.

The Ombudsman has been proactive in promoting the Code and the approach taken has been innovative amongst redress bodies. This includes requiring landlords to self-assess, encouraging them to engage residents in this process, asking them to report the outcome to their governing body and requiring that they publish the self-assessment online. Additionally, the Ombudsman has issued Complaint Handling Failure Orders where landlords have not complied with aspects of the Code, an innovation for the redress sector, and publishes a quarterly summary report which names the landlords in receipt of Complaint Handling Failure Orders over the most recent period. We also use the Code in our formal investigations; we will order or recommend a landlord to review its complaints policy or train staff in line with the Code depending on our findings.

Under our current powers, the basis for intervention by the Housing Ombudsman still requires a complaint to be received and our funding arrangements means we are

not currently able to commit resources to pro-active monitoring. The Ombudsman has made the case for its powers to be expanded by placing the Code on a statutory footing and allowing us to pro-actively monitor compliance. The Ombudsman welcomes the inclusion of these proposals as part of the Social Housing Regulation Bill. Subject to the Bill reaching the statute, this will enable the Ombudsman to move beyond responding to individual complaints to seek assurance that the Code is being met. This will include asking all landlords to submit their self-assessment to the Ombudsman and investigating, even when there isn't a complaint, where there is evidence of poor practice.

Recommendation 15

We encourage the Housing Ombudsman to continue investigating systemic failings across the social housing sector. In response to this report, the ombudsman should identify which further areas it may investigate. We further encourage both the ombudsman and the Regulator of Social Housing to continue co-operating and sharing information, building on each of their roles so their work complements each other, with a view to driving up standards across the sector.

We welcome the Committee's support for our work on systemic issues. Investigating the systemic failures giving rise to complaints is a core aspect of a modern Ombudsman's role and promotes a positive complaint handling culture. The issues we look at build a picture of the quality of residents' homes or address sector-wide systemic failings responding to complaints. We publish upcoming report topics for our sector-wide systemic investigations on our website.

We are encouraged by social landlords' response to the systemic investigations we have published and the high level of engagement we have seen - our Spotlight reports have been accessed more than 9,000 times on our website and 66% of landlords who responded to our annual landlord survey said they had changed their policy or practice as a result of reports.

These reports inform the best practice we consider as part of our formal investigations and are reflected in any remedies we make. Increasingly landlords are developing action plans in response to our systemic work and we aim to share the good practice arising from these with the sector to promote learning. This extends to our further investigation into individual landlords under paragraph 50 of our Scheme, as well as our examination of sector-wide systemic issues.

We are developing our approach, including the use of calls for evidence and fieldwork with selected landlords, to supplement our casebook. We will also develop Spotlight report-specific self-assessment guidance for landlords to use when considering our recommendations and we will be revising our expectations of what landlords should do when we publish a report. These changes will be set out in an updated systemic framework during 2023.

We are also considering inviting residents and landlords to propose subject areas direct to the Ombudsman for consideration for investigation, while the decision to investigate will remain at the Ombudsman's discretion.

The sector-wide failings investigated by the Ombudsman and our approach taken is complementary to the Regulator of Social Housing, whose systemic powers will typically focus on an individual landlord. The Regulator may identify risks arising from its consumer regulation and those risks may inform the Ombudsman's programme of systemic investigations. Where we undertake a wider learning investigation into an individual landlord under paragraph 50 of our Scheme, we share the report with the Regulator. As proactive consumer regulation develops, we would expect our work to inform the Regulator's programme of inspections.

Under the revised Memorandum of Understanding, the Ombudsman will work with the Regulator on the framework for sharing information and intelligence between the two organisations and we will work with the Regulator to identify ways in which we can use our combined powers to improve the resident experience and drive up standards.

Recommendation 16

The Government must commit to ensuring social housing tenants get the same levels of compensation it has said tenants in the PRS will be entitled to under its proposals for a new ombudsman. We recommend it does this by amending the Social Housing (Regulation) Bill to include provisions setting out that the ombudsman may award compensation of up to £25,000. If not, it should publish its justification for treating social housing tenants and PRS tenants differently. Whether it commits to doing this or not, we call on the ombudsman to immediately increase the levels of compensation it awards. We also recommend that it include among those things for which it may award compensation an explicit reference to loss of earnings incurred when tenants take time off work to wait for repairs teams that do not turn up.

In resolving a dispute, it is an Ombudsman's role to put the complainant back in the position they would have been in had the service failure not occurred. We therefore firmly believe that non-financial remedies, as well as financial, are an important aspect of an Ombudsman's toolkit. This includes ordering meaningful apologies, repairs or other actions to put something right, alongside changes to prevent service failures being repeated with other residents. This breadth to an Ombudsman's remedies distinguishes it from the courts.

These remedies will also reflect the individual circumstances of each case. This includes financial remedies where the impact of something going wrong will differ depending on the circumstances of the complaint and their household. In addition to specifying compensation, the Ombudsman may also order that the landlord reviews any costs incurred by the household because of service failure and makes a payment to compensate for this. Our calculation of financial compensation does not include the impact of these orders.

Where the Ombudsman awards compensation, it is not intended to be punitive, as may be the case with the courts. Nor is it a regulatory fine, the scale of which may be relative to the organisation. We welcome the Committee's recognition of the context in which compensation is ordered, as this is an area that can be misunderstood.

We also welcome the Committee's recognition that the Ombudsman's approach has evolved significantly over the last three years with the level of compensation doubling.

However, we do not believe the £25,000 threshold is required in legislation to develop the Ombudsman's approach to compensation. There is no legislative cap to the level of compensation the Housing Ombudsman can award which means social tenants are not disadvantaged. The Ombudsman has recommended remedies that could arguably exceed the cap, such as consideration of whether a shared owner could reverse staircase, and we would not want our levels of compensation to be restricted. Furthermore, the government is legislating to remove the cap on regulatory fines within the Social Housing Regulation Bill so a cap on compensation would be inconsistent.

Instead, there are other ways we would like to develop our approach on financial remedies. We will shortly publish updated remedies guidance that will include a new tier of compensation for severe resident detriment. It will also clarify where we may determine compensation levels relative to rent paid during the period of service failure, and be explicit that compensation should not be offset against rent arrears.

The Ombudsman plans a further review of its remedies guidance during 2023–24 that will look at the compensation bands, with the intention that the amounts ordered within these bands will increase. A key aspect of this review will be ensuring landlords recognise distress and disruption in their own awards of compensation, and use their discretion in their complaints procedure.

Furthermore, the Ombudsman will consider how its assessment of compensation can be further explained in our investigation reports. This will include loss of earnings where the Ombudsman orders compensation for inconvenience if there are repeated failings, for example, missed appointments. This would support transparency around our decision-making – a key focus for the Ombudsman – and provide an important learning resource for landlords.

Notwithstanding our view on the compensation limit, we agree with the Committee that it would be wrong for divergent approaches to redress because of tenure, which is why we strongly believe there should be a single housing ombudsman with universal powers to ensure consistent and fair redress across the housing market, regardless of tenure or provider.

Recommendation 17

We encourage all social housing providers and the Housing Ombudsman to adopt a co-ordinated strategy to increase awareness among tenants of the ombudsman. As part of that, providers should routinely send letters and leaflets specifically about how they can complain to the ombudsman, as well as including this information in all other correspondence. Every single piece of correspondence about a complaint that providers send to tenants should inform the latter of their right to complain to the ombudsman and how to go about it. This should also explain that if tenants take legal action they cannot also refer their case to the ombudsman. We also recommend that the Regulator of Social Housing, as part of its review of the consumer standards, introduce a requirement on housing providers to ensure tenants are aware of their right to take a complaint to the ombudsman.

We agree with the Committee that improved awareness of, and access to, the complaints procedure is essential. We believe there is a higher-than-average awareness of the Housing

Ombudsman compared to other Ombudsman schemes, with research suggesting an awareness level amongst social tenants of between 60% to 70%. This has been evidenced through a rapid increase in complaints being received by the Ombudsman.

Nevertheless, sustained awareness raising activities are a core part of our Corporate Plan and reaching groups who may find accessing the complaints process more difficult is also essential. To tackle this, we have recruited an Accessibility Expert Panel to advise us.

Landlords are integral to awareness raising and will often be the main contact point for residents. We agree with the Committee's conclusion that landlords should be using a wider range of contact points with residents, including correspondence and leaflets, to raise awareness of their own procedure and the Ombudsman. These are mandatory requirements of the Complaint Handling Code and we will issue Complaint Handling Failure Orders where we have evidence that this is not happening on a consistent basis.

We have also revised the Housing Ombudsman Scheme to require landlords to raise awareness, including informing residents of the Ombudsman from the first stage of the complaints procedure rather than only at the final response. These changes will come into effect from 1 October 2022.

We have approached the National Housing Federation and other representative bodies to propose working together on an awareness raising campaign and promoting best practice. The Ombudsman is also developing materials and guidance, in addition to the information already available through its website, to support landlords. We will also continue to work with the Government on its awareness raising campaigns.

We agree with the Committee's conclusion that residents should be encouraged to consider the complaints procedure rather than legal claims, although that is ultimately a decision for the resident. To support this, we would also strongly encourage landlords to review our revised jurisdiction guidance, published in October 2021. This guidance is clear that complaints should not be closed prematurely because the pre-action protocol on housing conditions may have commenced, as this of itself does not constitute legal action. We are concerned that opportunities to resolve issues through the complaints procedure are being lost because of an incorrect interpretation of legal proceedings.

The protocol is clear that alternative dispute resolution should be actively considered before legal proceedings, including referral to the Ombudsman, and we would welcome the protocol being strengthened further to reinforce this approach.

We also welcome the Committee's recommendation that the consumer standards place an obligation on social landlords to promote the Ombudsman and will work with the Regulator to support this approach.

Recommendation 19

We also recommend that the Government amend Clause 4 of the Social Housing (Regulation) Bill to require the regulator and the Housing Ombudsman to set out in their memorandum of understanding how they intend to prevent gaps between their respective remits.

We agree with the Committee that the Memorandum of Understanding is an important vehicle to set out roles, responsibilities and how the Housing Ombudsman and Regulator will work together, including on systemic issues.

The Ombudsman believes that complaints can provide insight into systemic issues that may not otherwise be fully recognised and addressed. An Ombudsman's and a Regulator's approach to systemic issues can be different and complementary. For example, an Ombudsman can look at sectoral systemic failings whereas a Regulator can typically focus on individual providers.

We share our reports on systemic issues, both on individual landlords and sector-wide, with the Regulator and will continue to do so. We will work with the Regulator as proactive consumer regulation develops to share the data and insights on complaints, again both on a sectoral and individual landlord basis. Given addressing systemic issues is a core part of our relationship with the Regulator, we do not believe the legislation needs to be specific in this regard.

The Ombudsman will publish an updated systemic framework during 2023, setting out how our approach has evolved since we first used our powers under the Scheme issued in September 2020.