# Housing (Scotland) Bill Stage 2 | April 2025

#### Introduction

<u>Consumer Scotland</u> is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament. We provided <u>written evidence on the Housing (Scotland) Bill</u> in April 2024, followed by a <u>Stage 1 MSP briefing in November</u>. In these, we emphasised the need for more detail on how the Bill's provisions will work in practice, a holistic approach to housing policy, and the provision of more affordable housing stock across sectors. Across the housing sector, we note that tenants continue to experience issues around affordability, access to clear information, safety and redress and we address these points below.

The Local Government, Housing and Planning Committee will consider Stage 2 amendments to the Bill at its meeting on 29 April. This briefing highlights some amendments we consider to be of particular interest. We note that the Scottish Government has lodged a significant number of amendments since the conclusion of Stage 1.

## Background

In November, we published a <u>blog</u> and <u>scoping paper</u> examining the challenges private and social tenants in Scotland face around access and affordability of tenancies, housing conditions, and exercising tenancy rights. We are currently finalising research into the experiences of private sector tenants facing tenancy issues, to identify what might help increase uptake of existing redress mechanisms. We have also undertaken exploratory work on the needs and experiences of social rented sector tenants. We aim to publish findings this Spring.

We note that previous rent controls expired on 31 March 2025, while rent controls proposed in this Bill may not come into force until 2027. In this interim period tenants will continue to feel the effects of structural affordability issues, including recent benefits reforms and a Local Housing Allowance freeze that is anticipated to impact negatively on the affordability of private tenancies for consumers on low incomes. This has the potential to leave tenants exposed to high rent increases, and limited security of tenancies. While we welcome the Scottish Government's efforts to communicate protections currently in place via Rent Service Scotland, these changes may result in a confusing lack of clarity for tenants around their rights. The impact on tenants should be carefully monitored, and the Bill should provide for adaptability to mitigate any unintended consequences of new measures.

### **Key points for the Local Government, Planning and Housing Committee**

- The Housing Bill is only one part of a wider range of measures necessary to ensure that tenants across sectors can access tenancies and exercise their rights, enjoying affordable, safe, energy efficient, and well-maintained homes. Investment in supply is needed, and landlords must be able to comply with rent controls as well as energy efficiency requirements.
- Tenants' need to understand their rights and know how to exercise them. Measures promoting the
  use of information and advice services are needed to ensure tenants are able to do this. We look
  forward to the forthcoming Scottish Government consultation on regulatory reforms, to ensure
  tenants have appropriate protections across sectors and provide landlords with clarity around their
  obligations.
- Many of the proposals in the Bill require further consultation, research, modelling, pilot schemes, and evaluations to explore the potential responses of landlords and the mid-to long term consequences on tenants.

Below are a number of amendments which have implications for the key consumer needs indicated above.

#### **Affordability**

We support the Scottish Government's <u>amendment to cap any rent increases in designated Rent Control Areas (RCAs) at a level of CPI + 1%, up to a maximum increase of 6%, both during and in <u>between tenancies</u>. Including this in the Bill will provide some much-needed clarity and increase security for private tenants and landlords. Current regulations enable Rent Service Scotland to set a rent that is higher than requested by a landlord, which may lead to unintended consequences for tenants. We welcome the Bill's proposal to remove this power. Our research indicates that the power imbalance between private landlords and tenants often deters tenants from challenging rent increases. Whilst the Scottish Government will regulate further on RCA exemptions following consultation this Spring, we have concerns about amendments which aim to exempt tenancies whereby the tenant is employed by the landlord and we would not support amendments that seek to exclude RCAs from the Bill.</u>

Our research with PRS tenants indicates that three weeks is often too short for tenants to clarify whether a communication is a notice, whether the increase is undue, establish their rights and options, potentially seek advice, and refer to Rent Service Scotland – particularly for consumers in vulnerable circumstances. We therefore support the amendment to <a href="increase of referral period from 21 to 42 days">increase of referral period from 21 to 42 days</a>.

### **Clarity and Information**

As previously indicated, the Bill does not address an existing lack of awareness amongst tenants. Our research indicates that private tenants often have limited knowledge and expectations of their rights, assuming they have few. There are many grey areas, which makes it difficult for them to understand when it is worth seeking advice or redress. To help improve understanding of their rights and obligations, we therefore support amendments that seek to ensure private tenants are provided with information including the ability to join a tenants' union, and a potential Private Rented Sector Charter in advance of their tenancy.

Local Authorities must have access to accurate and up to date information to help establish whether there is a need for a Rent Control Area, and to monitor impacts on the private rented sector. We therefore in principle support amendments aimed at <u>increasing information sharing between the Scottish Government and local authorities</u>, widening the scope of information requests, and requiring

landlords to record in the Scottish Landlord Register the actual rather than advertised rents, and to update their registration annually instead of every three years.

#### Safety

While damp and mould affect a minority of properties, our research indicates that many tenants across both the private and social rented sectors have experienced these issues at some point. They can have a profound impact on tenants' health and wellbeing. We therefore welcome amendments seeking <u>implementation of Awaab's Law</u> in Scotland for both social and <u>private tenancies</u>, to help ensure that investigations and repairs are carried out within strict timeframes.

We also support the amendments to <u>include prescribed hazards into the Repairing Standard</u>, and efforts to <u>prevent private landlords from increasing rent when the property fails to meet minimum quality and energy efficiency standards</u>, with those standards to be set by Scottish Ministers for the purpose of this Bill.

### **Security and Redress**

In the <u>New Deal for Tenants</u>, the Scottish Government reiterated its commitment to review the 18 grounds for eviction in Private Residential Tenancies; however, this does not form part of the Bill. We support measures which would lead to a <u>review of eviction grounds</u> to help protect tenants against unfair evictions.

Findings from Consumer Scotland's ongoing research suggest that it can be daunting to seek formal redress, as it involves navigating complex and potentially lengthy process, and a potential risk of landlord retaliation. Participants have indicated feeling more able to do so with formal advice or support. Even when they do appeal to the Tribunal and a Repairing Standard Enforcement Order (RSEO) is issued, some landlords fail to remedy defects. Having previously expressed concerns around the existing power imbalance between private landlords and tenants, we consider that amendments providing tenants with the <u>right to withhold rent in case of failure to remedy within 30 days of being notified</u>, or <u>following failure to remedy following an RSEO</u>, may strengthen enforcement and improve redress outcomes.

#### **Consumer Duty**

The <u>Consumer Duty</u> is a statutory duty introduced by the <u>Consumer Scotland Act 2020</u> that applies to relevant public authorities in Scotland. Under the duty, the public bodies who are bound by must consider the impact on consumers in Scotland when they make strategic decisions along with the desirability of reducing harm to consumers. The duty came into force on 1 April 2025 and, following extensive consultation, <u>Consumer Scotland issued guidance</u> for relevant public authorities.

We consider that the lack of reference to the duty in those parts of the Bill that refer to strategic decision-making by public authorities (including local authorities, health and social care partnerships, and the Scottish Housing Regulator) is a missed opportunity and members may wish to consider whether such as reference would strengthen the Bill.