

Lesley Griffiths AC / AM
Y Gweinidog Cymunedau a Threchu Tlodi
Minister for Communities and Tackling Poverty



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-04-529
Ein cyf/Our ref LG/05325/14

William Powell AM
Chair Petitions Committee
Ty Hywel
Cardiff Bay
Cardiff
CF99 1NA

committeebusiness@Wales.gsi.gov.uk

5

November 2014

Dear Bill

You wrote on 14 October in relation to petition P-04-529, *A Letting Agents Ombudsman for Wales*. The petitioner had been in correspondence with my officials. You asked specifically for my views on the petitioner's latest email and for me to address each point raised by the petitioner.

The petitioner had actually received a response from my official prior to my receipt of your letter. I enclose a copy of the response which I believe fully addresses the petitioner's concerns.

In short, whilst I entirely agree with the petitioner's intentions, I simply do not see what value a Letting Agents Ombudsman would add to what is being delivered as a result of Part 1 of the Housing (Wales) Act 2014.

Regards
Lesley

Lesley Griffiths AC / AM
Y Gweinidog Cymunedau a Threchu Tlodi
Minister for Communities and Tackling Poverty

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence: Lesley.Griffiths@wales.gsi.gov.uk
Printed on 100% recycled paper

Liz

I will answer your questions in the order in which they were posed:

1. The Codes of Practice are being worked by our stakeholder groups on as we speak. Whilst we do not have a set-in-stone date for bringing the Codes in, the scheme is due to begin next year. The Codes will need to be in place before then, and have to be publicly consulted on, so it will be sooner rather than later that you will be able to have your input.
2. The penalty for non-compliance with the Codes is the removal of a person's licence to manage a property in Wales.
3. We do not intend to be prescriptive in terms of the Ombudsman scheme which letting agents choose to become a member of.
4. We don't envisage there being any issues as, all being well, the scheme will be delivered by one authority on behalf of the other twenty-one. Whatever is agreed upon, this situation should not change.
5. Where the landlord lives is inconsequential, it is where the property that they own and let is situated.
6. To be confirmed after consulting with our stakeholder groups. The current thinking is that landlords / agents will be encouraged to disseminate this information alongside the rental agreements, but there will be scope to promote and distribute via tenant representative organisations such as NUS Wales and Shelter Cymru, as well as through the central scheme.
7. Alongside the existing avenues for such information (Shelter, Citizens Advice, NUS, local authorities), the designated licensing authority will be the place for tenants to go for information / advice and to report problems. Information will be available through all of the usual means, including online.
8. Yes, information will be collected and published.

Ombudsman: The Letting Agent Ombudsman you requested in your petition does not go as far as this scheme. For a start, a Letting Agent Ombudsman would not cover a very sizeable chunk of the private rental market, as in properties let directly by a landlord to a tenant. Secondly, there was no suggestion that this Ombudsman would be mandatory for letting agents. This scheme is mandatory, and covers all landlords and letting / management agents who own or are involved in the letting or management of properties in Wales. Compliance is not optional.

Letting Agent Fees: There are no plans at present to limit the amount of fees that a letting agent can charge, but the plan is to ensure that fees are up-front through the Codes of Practice being developed as part of the implementation of Part 1 of the Housing (Wales) Act. The UK Government's Consumer Rights Bill (<http://services.parliament.uk/bills/2014-15/consumerrights.html>) has been subject to a Government amendment which, if agreed, enters a duty upon all letting agents in England and Wales to be up-front about their fees. This means that tenants will have an informed choice when entering into an agreement with a letting agent, and will not be stung by hidden charges or "surprise" fees.

Regards

Gareth Baglow

Llywodraeth Cymru / Welsh Government

Adran Polisi Tai / Housing Policy Division

Tîm Tai Sector Preifat / Private Sector Housing Team

Llinell Union / Direct Line: 03000 628 155 (GTN 2843 8155)