

How to tackle ‘No DSS’ policies Views from private renters

June 2018

Author: Lisa Glass, Policy Officer, lisa_glass@shelter.org.uk

© 2018 Shelter. All rights reserved. This document is only for your personal, non-commercial use.
You may not copy, re-produce, republish, post, distribute, transmit or modify it in any way.
This document contains information and policies that were correct at the time of publication.

CONTENTS

Summary	4
Introduction	5
How did we gather private renters' views?	7
Private renters' experience of 'No DSS' practices	8
Private renters' views on proposals to tackle 'No DSS' practices	10
1. Reverse UK government welfare reforms which have reduced the level of Housing Benefit paid to private tenants	10
2. Use the Scottish Government's powers over benefits payments to improve access to the private rented sector for people who receive benefits	11
3. Make sure the administration of Universal Credit and Housing Benefit is effective	12
4. Introduce a ban on blanket 'no DSS' policies	13
5. Introduce regulation and codes of practice to improve landlord and letting agent practice in letting to tenants who receive Housing Benefit	14
6. Provide support and incentives to landlords to let to tenants who claim Housing Benefit	15
7. Make sure sufficient support is available to tenants who claim Housing Benefit	15
8. Support and scale up schemes which help vulnerable tenants access the private rented sector.	16
Conclusion	18
Appendix: Survey questions	Error! Bookmark not defined.

SUMMARY

Shelter Scotland commissioned research into the prevalence of, and reasons behind, landlord attitudes to renters who receive Housing Benefit as part of a response to concerns raised by private renters as part of our Private Renting Project.

The research showed there is strong evidence that 'No DSS' policies are a significant issue for many private renters in Scotland, which backs up direct reports from renters to Shelter Scotland.

The research identified several policy measures which could be introduced to improve access to private renting for renters who claim Housing Benefit.

We surveyed private tenants to gather their views on the policy measures identified to ensure that private renters' views are central to the policy making process – not only in identifying the issue but in influencing change.

The most popular measures with survey respondents included introducing a ban on blanket 'No DSS' policies, and reversing UK Government welfare reforms which have reduced the level of Housing Benefit paid to private tenants.

INTRODUCTION

Private renters have been raising issues they experience in renting or trying to access private rented accommodation, as part of Shelter Scotland's Private Renting Project. A common issue that many renters have reported is problems in accessing and holding on to homes in the private rented sector due to landlord and letting agent attitudes towards tenants who are in receipt of benefits, principally Housing Benefit. This practice is commonly known as employing a 'No DSS'¹ policy.

To provide further insight, in 2017 Shelter Scotland commissioned research by way of a literature review undertaken by Beth Watts and Adam Stephenson (I-SPHERE, Heriot-Watt University) into the prevalence of, and reasons behind, landlord attitudes to renters who receive Housing Benefit.²

The research found strong evidence that 'No DSS' policies are a significant issue for many private renters in Scotland. Around one in five private renter households claim Housing Benefit and two thirds of private landlords would prefer not to let to tenants who claim Housing Benefit.

The researchers also looked at a range of policy measures which could be introduced to improve things for renters who claim Housing Benefit including to:

- reverse UK government welfare reforms which have reduced the level of Housing Benefit paid to private tenants,
- use the Scottish Government's powers over benefits payments to improve access to the private rented sector,
- make sure the administration of Universal Credit and Housing Benefit is effective,
- introduce a ban on blanket 'no DSS' policies,
- introduce regulation and codes of practice to improve landlord and letting agent practice in letting to tenants who receive Housing Benefit,
- provide support and incentives to landlords to let to tenants who claim Housing Benefit,
- make sure sufficient support is available to private tenants who need it,
- support and scale up schemes which help vulnerable tenants access the private rented sector.

Shelter Scotland produced a briefing which provides a summary of the research findings including the options highlighted by the research that may help to

¹ DSS refers to the Department for Social Security, which was replaced by the Department for Work and Pensions (DWP) in 2001.

² 'No DSS': A review of evidence on landlord and letting agent attitudes towards tenants who receive Housing Benefit; A report for Shelter Scotland by Dr Beth Watts and Adam Stephenson, I-SPHERE, Heriot-Watt University, July 2017

https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/no_dss_report

mitigate the issue.³ We then spoke to tenants to gather their views on the potential policy measures to ensure that the voice of private renters is represented in the policy making process – both in setting the agenda and in influencing change.

³ Shelter Scotland, Shelter Scotland briefing: 'No DSS', October 2017
https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/shelter_scotland_briefing_no_dss

HOW DID WE GATHER PRIVATE RENTERS' VIEWS?

In October 2017 we developed an online survey designed to collect the views of tenants on the options set out by the researchers that could improve access to the private rented sector for people who rely on Housing Benefit to pay their rent. We published a summary briefing on the research report into 'No DSS' practices to accompany the survey which provided more detail on the proposals.⁴

Respondents were asked to rate each option between one and five, and were given the opportunity to provide further comments.

We publicised the tenant engagement via a video and written blog,⁵ and shared this via Shelter Scotland social media channels, with our Private Tenant Panel, on our Private Tenant Facebook group, and via our private tenant mailing list.

Thirteen responses were recorded for the online survey.

All but two respondents were, at the time of completing the survey private tenants, one had never rented privately and didn't plan to in future, and one used to be a private tenant or planned to rent privately in future. Some wanted to remain anonymous, whilst others were happy with us using their first name in the report. All quotes provided are verbatim.

⁴ Shelter Scotland, Shelter Scotland briefing: 'No DSS', October 2017
https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/shelter_scotland_briefing_no_dss

⁵ Shelter Scotland, "No DSS' – you talked, we listened. What next?" October 2017
<https://blog.scotland.shelter.org.uk/no-dss-talked-listened-next/>

PRIVATE RENTERS' EXPERIENCES OF 'NO DSS' PRACTICES

Ten of 13 respondents, or someone they knew, had experienced a landlord or letting agent not renting a property to them because they were in receipt of benefits or out of work.

This had happened in different locations around Scotland, including Edinburgh, East Kilbride, Aberdeen, the Scottish Borders, Renfrewshire, East Ayrshire (specifically Kilmarnock), and Inverclyde.

For some, it was explicitly stated in adverts that they would not accept claimants:

"I found when I was searching to privately rent that a lot of agencies or people advertising privately on sites like Gumtree stipulated 'No DSS' as part of their advert." [Eleanor]

"landlords have huge snobbery over what tenants they will accept, most properties refuse HB" [Anon]

"...most landlords simply will not let to claimants" [Anon]

"Last time I had to move I was in receipt of benefit and finding any agent/landlord willing to give me a tenancy was really difficult" [Diane]

"I'm about to move now and after consulting every letting agency in Kilmarnock I'd estimate fairly accurately that 90% plus were immediately unavailable to me due to housing benefit being a source of income. [...] I could provide 13 years of quality references but I don't get past the you're on benefits response do it's a NO!" [William]

For others, there were additional barriers put in place for claimants to be accepted as a tenant, such as a financial guarantor:

"I was told I needed a guarantor in order to be considered as a tenant." [Anon]

"I am in Inverclyde and on universal credit, without a guarantor I found it very difficult to get my flat and had to compromise, if I did not require a financial guarantor I would have had more choices and ultimately have found something more suitable for my family." [Anon]

"I do voluntary work in the third sector and it comes up fairly frequently as a problem or at least as a concern for people who are searching for rental properties...often it's not the reason why letting agents refuse to rent instead explicit but all of people have felt that it's linked to their benefits status." [Anon]

Tenants found this frustrating, feeling they had less choice and had to compromise on what they were looking for. William, who told us he has a severe mental illness and has had to struggle to find accommodation four times in the

last decade, said he had secured another property from his current landlord. He told us: “*Without his help I’m not sure what I’d have done.*”

PRIVATE RENTERS' VIEWS ON PROPOSALS TO TACKLE 'NO DSS' PRACTICES

We asked survey respondents what they thought about each of the options highlighted by the research to mitigate 'No DSS' practices. They were able to refer to the briefing or the full research report for more information on each of the eight options. We asked them to rate each option out of a possible five, and they were also given the opportunity to provide additional comments. By assigning numeric values to ratings (five equals five points, four equals four points, and so on) we were able to provide comparable scores for each proposed policy option.

1. Reverse UK government welfare reforms which have reduced the level of Housing Benefit paid to private tenants

1	2	3	4	5
0	0	1	3	9

Twelve of 13 respondents rated the first option put forward for tenants to consider, the reversal of UK Government welfare reforms which have reduced the level of Housing Benefit paid to private tenants, as four or five out of five. This provided a total score of 60 out of 65.

Some respondents believed that the reforms in question had led many tenants to struggle to afford their rent, with detrimental impacts on their wider life.

"This decision was based on ideology as opposed reality and is causing hardship for many", five out of five [Anon]

"A lot of rents are raised each year which means that tenants have to use money which could go towards heating or food." Five out of five [Eleanor]

"When I first rented a house in Scotland, the rent, with the benefit I was entitled to, was adequate. When I was evicted, I looked for somewhere with a similar rental. I found somewhere that was £100 less per month than I had been paying, but my benefit was cut in half, leaving me in great financial difficulty, which continues as long as Westminster pursues the current policy. I have been hoping that this policy might be devolved to the Scottish Parliament where we may receive a more humane response." Five out of five [Anon]

"Housing benefit doesn't cover rent and making up the remainder impacts other benefits." Five out of five [William]

Another respondent felt that this option would be more useful to help tenants to sustain their tenancy, rather than securing a tenancy.

“this would maybe more useful in helping tenants sustain their tenancies than in securing a tenancy in the first place.” Five out of five [Diane]

2. Use the Scottish Government’s powers over benefits payments to improve access to the private rented sector for people who receive benefits

1	2	3	4	5
1	0	2	1	9

Ten of 13 respondents rated the option of using the Scottish Government’s powers over benefits payments to improve access to the private rented sector for people who receive benefits at either four or five. This provided a total score of 55 out of 65.

Some people based their response on mitigating some of the UK Government’s actions, and pointed to the Scottish Government’s responsibility in this area.

“Provided they receive more funds to do so from Westminster, but they can’t bail out victims of a cruel Westminster policy”, five out of five [Anon]

“Time for the Scottish Government to walk to the talk that they have been pushing for years”, five out of five [Anon]

“The Scottish Government have to understand that people cannot get social housing or afford a mortgage and need help to privately rent”, five out of five [Eleanor]

“The Scottish government need to act swiftly to control landlords and their agents as well as banks.” Five out of five [William]

Another respondent was supportive though concerned at what action the Scottish Government might take which also came up in a later question:

“one thing I would not like to see is the compulsory paying of rent directly to my landlord. I manage my money well and would see this as overly invasive on that.” Five out of five [Diane]

Another anonymous respondent felt that, in contrast, this would just be a “sticking plaster and waste of resource” and instead urged that action should “tackle issue at heart of the problem”, rating this proposal as just three out of five.

3. Make sure the administration of Universal Credit and Housing Benefit is effective

1	2	3	4	5
1	0	1	0	11

All but two respondents thought that making sure the administration of Universal Credit and Housing Benefit is effective was important, rating it five out of five. Some people focused on the importance of timely delivery of benefits. This provided a total score of 59 out of 65.

“effective AND timely”, five out of five [Diane]

“Just the usual--make the timing better.” Five out of five [Anon]

Others mentioned their personal experience and others felt the problem was Universal Credit itself.

“End Universal Credit. It's a bad idea; benefits should be complicated to make sure everyone gets what they need.” Five out of five [Anon]

“I am currently claiming Universal Credit and thankfully over the initial wait for the first payment, however, there were an awful lot of mistakes and wrong information given to me at the time, making it extremely stressful.” Five out of five [Eleanor]

Three people also referred to the issue of direct payments. One person thought that landlords should receive benefits directly, whilst two others argued against direct payments which had also come up in an earlier question.

“Refusing to pay HB direct to landlord unless vulnerability-people should have choice. Insisting payments made at end of the month for HB detrimental and off putting to landlords esp if leases running from different time period and rent needs to tie in with this”, five out of five [Anon]

“Pay landlords direct”, five out of five [Anon]

“one thing I would not like to see is the compulsory paying of rent directly to my landlord. I manage my money well and would see this as overly invasive on that.” five out of five [Diane]

Another argued for Universal Basic Income as the answer rather than Universal Credit and Housing Benefit.

“UBI”, 1 out of five [Anon]

4. Introduce a ban on blanket 'no DSS' policies

1	2	3	4	5
0	0	1	1	11

Most responses to the proposal to introduce a ban on blanket 'no DSS' policies were favourable, with 11 respondents rating this as five out of five, and the other two as four or three out of five. This provided a total score of 62 out of 65.

One respondent felt this type of blanket 'no DSS' policy was really just a way for landlords to discriminate against certain types of tenants, and that a proposal to introduce a ban on blanket 'no DSS' policies would prevent such discrimination.

"Prevent discrimination and using HB to hide behind rather than address only want certain class of tenant", four out of five [Anon]

"Landlords/letting agencies can be choosy whilst demand is high, without legislation to force them to accept anyone based on income and not circumstances is important. Landlords are operating for profit, this is a business to them. I think the government should enforce the Equalities Act or similar legislation on landlords and agents. [...] in regard to disabled people like myself who go long periods unable to work and therefore rely solely on benefits I believe in my opinion that landlords and agents are breaking the Equality Act .. indirect discrimination taking place as disabled whilst unable to work. Landlords are operating for profit, even if it's only one property. For example a hotelier wouldn't be able to refuse a gay couple accomodation and this is certain as it's been tested in court." Five out of five [William]

Some people did query how enforceable this would be in practice:

"only problem is, even if there is a ban, landlords/agents would still be able to filter out prospective tenants on benefit." Five out of five [Diane]

"This would be a good gesture, however, it is still down to the individual landlord/landlady as to who they rent to so there will still be a stigma against those claiming benefits." Five out of five [Anon]

Other respondents were concerned about unintended impacts of such a proposal:

"If this is something that is stipulated by lenders then a blanket ban may result in the loss of properties to the rental market reducing supply and pushing up other rents", three out of five [Anon]

There was also a suggestion of other bans which might be necessary, on banks in addition to landlords.

“The government could legislate to ban banks stipulating that landlords with buy to lets must be in work ... there is no valid reason whatsoever for this and it’s a really huge problem now for out of work applicants.” [William]

5. Introduce regulation and codes of practice to improve landlord and letting agent practice in letting to tenants who receive Housing Benefit

1	2	3	4	5
1	0	1	1	10

Ten respondents rated the proposal to introduce regulation and codes of practice to improve landlord and letting agent practice in letting to tenants who receive Housing Benefit as five out of five, a further two as three or four out of five and one as only one out of five. This provided a total score of 58 out of 65.

Queries were raised however about enforcement of such regulation and code of practice.

“yes. but again hard to see how any regulation would be enforced.” Five out of five [Diane]

“It would depend on what the regulations are and how they would work.” Five out of five [Eleanor]

Others referred to the wider context including the lack of availability of alternative options for tenants such as social housing, and the impact of this wider context in increasing rents and making rates of homelessness worse.

“I hope that Shelter can campaign for some form of rent control to be re-introduce[d]--it was abolished by the Thatcher government. Due to the current government policy of making it easy for landlords to buy, possibly more than they can reasonably cope with, this has forced some landlords into making unreasonable rent increases. The resultant soaring rentals mean that tenants can no longer afford the rent and have to move out. They then start to look for another property they can afford: it is a vicious circle. Since there is so little social housing available, we are absolutely forced to use private landlords and it is time that the government reflected that private landlords are taking up the slack in public housing that it should be providing and that the most vulnerable in society should NOT be forced to live at the mercy of the almighty market.” Five out of five [Anon]

“Has to be done, [in my honest opinion] homelessness is only going to get even worse than now” Five out of five [William]

6. Provide support and incentives to landlords to let to tenants who claim Housing Benefit

1	2	3	4	5
2 (plus 1 no answer)	0	3	0	7

The proposal to provide support and incentives to landlords to let to tenants who claim Housing Benefit split opinion amongst our respondents. This provided a total score of 46 out of 65 (though one person did not answer).

Some felt this was important as a way to achieve the end goal and most likely to be effective:

"I think this has the best chance of achieving the desired outcome." Five out of five [Diane]

"Allaying the fear that many landlords have is important", five out of five [Anon]
"This could be better than introducing regulations. Offering a 'carrot' rather than a 'stick' would probably work better." Five out of five [Eleanor]

Others felt that this was the wrong approach.

"I don't how fair it is to reward landlords for doing something they should be doing anyway", three out of five [Anon]

"Support us but [... (why do we have to incentivise people to stop discriminating?!)", three out of five [Anon]

"I don't believe so, I think they need to be made more accountable and this will only happen through legislation. In Scotland we have a finite amount of houses, landlords may own them but they're not hire cars, they're vital to everyone's lives." Three out of five [William]

7. Make sure sufficient support is available to tenants who claim Housing Benefit

1	2	3	4	5
1 (plus 1 no answer)	0	2	1	8

Most respondents were supportive of a proposal to make sure sufficient support was available to tenants who claim Housing Benefit. Eight respondents rated this proposal as five out of five, three as four or three out of five and one as only one

out of five. This provided a total score of 36 out of 65 (though one person did not provide an answer).

Some made suggestions for the type of support: making the system less complicated, and increasing the monetary amount given.

“Any support is welcome but it depends what the support is.” Five out of five [Eleanor]

“Housing benefits [sic] is confusing just started a new job and had mines suspended”, five out of five [Anon]

“The most obvious is that housing benefit be restored to its former level at least. So many evictions may be avoided if the benefit level were adequate. And evictions are costly, not just to the tenant, but to the state as well, in having to find alternative (often more expensive) accommodation.” Five out of five [Anon]

Several respondents were unclear what the details of such a proposal might look like in practice and felt unable to provide further comment. One felt that this was not the right approach as it would be too costly to provide.

“In adverts on rightmove for example a descriptor stating Housing Benefit yes or no should be compulsory. People on benefits can't afford to phone round everyone to confirm this status. This would also avoid disappointment and embarrassment.” Four out of five [William]

Another felt that practical support might be useful, providing tools for prospective tenants to know in advance whether prospective landlords will or will not accept them.

8. Support and scale up schemes which help vulnerable tenants access the private rented sector.

1	2	3	4	5
1	0	1	1	10

All but one tenant was generally supportive of the proposal to support and scale up schemes which help vulnerable tenants access the private rented sector. This provided a total score of 58 out of 65.

“...anything that helps, I am in favour of!” Five out of five [Anon]

“this is good because it doesn't lump DSS-recipients in a class of their own.” Five out of five [Diane]

Some were wary of the type of support that might be offered; one queried the usefulness of some of the support currently available, whilst another felt that social housing was the correct response.

“Many people who claim to do so [...] actually do very little in reality other than let out poor housing.” Five out of five

“Having seen so many of these tenancies fail, is pushing vulnerable into private sector wise. Should be protected under social housing” Four out of five [Anon]

One respondent who was not supportive of the policy felt it would be too costly.

CONCLUSION

By assigning numeric values to ratings (five out of five equals five points, four out of five equals four points, and so on) we were able to provide comparable scores for each proposed policy option.

Proposal	Score (highest to lowest)
Introduce a ban on blanket 'no DSS' policies	62
reverse UK Government welfare reforms which have reduced the level of Housing Benefit paid to private tenants	60
make sure the administration of Universal Credit and Housing Benefit is effective	59
Introduce regulation and codes of practice to improve landlord and letting agent practice in letting to tenants who receive Housing Benefit	58
support and scale up schemes which help vulnerable tenants access the private rented sector	58
use the Scottish Government's powers over benefits payments to improve access to the private rented sector	55
provide support and incentives to landlords to let to tenants who claim Housing Benefit	46
make sure sufficient support is available to private tenants who need it	36

The most popular option applying this metric was to introduce a ban on blanket 'no DSS' policies (62 points out of a possible 65).

The proposal to reverse UK Government welfare reforms which have reduced the level of Housing Benefit paid to private tenants scored second highest (60 points), followed by ensuring the administration of Universal Credit and Housing Benefit is effective (59 points), introducing regulation and codes of practice to improve landlord and letting agent practice in letting to tenants who receive Housing Benefit (58 points) and supporting and scaling up schemes which help vulnerable tenants access the private rented sector (58 points).

A cross-cutting concern raised by tenants was the matter of enforcement of any proposal, and the perceived stigmatisation of those in receipt of benefits was an underlying issue across all responses.

Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

We're here so no one has to fight bad housing or homelessness on their own.

Please support us at shelterscotland.org

RH7439. Registered charity in England and Wales (263710) and in Scotland (SC002327)

Shelter Scotland
Scotiabank House
6 South Charlotte Street
Edinburgh EH2 4AW

shelterscotland.org