

Research and Campaigns Annual Report

1 April 2015 to 31 March 2016

The period of April 2015 – March 2016 has seen a huge change in the way Research & Campaigns are run both nationally and locally. There is much more focus on campaigning work, and at Citizens Advice North Herts the team has strengthened links with local media. We had coverage in the local press 29 times over this time period. We continue to campaign and communicate via Twitter, Facebook, Streetlife and our website. Over this time period we tweeted a total of 380 times and our most popular tweet was seen 1,915 times across the Twitter community. We currently have over 1,000 followers on Twitter. These are all cost and time effective ways to reach a wide audience on a variety of issues.

Over the course of the year we continually monitored local issues coming up in gateway enquiries and Bureau Evidence Forms. We kept up to date with national issues. We liaised with other Research & Campaigns teams across the country and we were involved in training new groups of volunteer advisers.

May 2015 saw the general election, which made it a quiet time for the team due to the pre-election purdah that restricts communication and campaigning action.

Major projects undertaken this year:

Research report into local letting agents and their (non) compliance with new renting legislation

The private rental sector is a market in which consumers are underprotected. We believe that no renter should ever have to pay excessive and inexplicable fees for the basic services a letting agent provides.

The high street letting agent is the gateway to renting a property for the majority of those seeking rented accommodation from a private landlord. This gives letting agents a central role in shaping one of our region's most important consumer markets and, as Citizens Advice reports at a national level, they have failed to deliver. Numerous studies have shown that renters receive persistently and pervasively poor treatment, from exploitative charges to poor service.

Consumer Rights Act legislation came into effect at the end of May 2015 meaning that the fees a letting agent charges have to be openly and transparently advertised.

In April 2015 we gathered information about 26 letting agents operating and letting properties in North Herts. These ranged from branches of large national organisations to local agents operating solely in the area. Our investigation aimed to find answers to the following questions:

1) Does the lettings agent comply with existing ASA Guidelines on fees?

2) Is it always possible for the tenant to know, or be able to calculate, when viewing the marketing or advert for a property to rent, exactly what they will be charged and when.

We then repeated the research in December 2015, approximately 6 months after the introduction of the provisions of the Consumer Rights Act, to assess the impact of the new regulations and the level of compliance and enforcement.

This research uncovered several key findings. First, we found that just 31% of lettings agents were even close to being fully compliant with the ASA regulations prior to the introduction of the provisions of the Consumer Rights Act. Further, post-implementation of the Act, it emerged that while the new regulations have improved the situation regarding compliance (42%) there remain several high street lettings agents in North Herts who continue to wilfully ignore the regulations, with 34% still failing to make any attempt at least even work towards the spirit of the new legislation. Furthermore, and somewhat disappointingly, we found that several of the agencies that disclosed their fees before the introduction of the provisions of the Consumer Rights Act had subsequently increased their fees. This suggests that tenants were financially better off prior to the implementation of the Consumer Rights Act in terms of fee amounts and value for money.

In 2016 we continue to follow this up and are working with local Trading Standards to ensure that local agents adhere to the new regulations.

Scams

Last year's National Crime Survey estimated that each year around six million acts of fraud are committed in this country. This was the first time the public had been asked about such crimes, but it is clear that an increasing number of people believe that they have been defrauded or that there are people trying to do so, dreaming up ever more ingenious schemes. Many have received dubious offers by phone or on their doorsteps and almost everyone will have had fraudulent e-mails, text messages and letters. Now that so much personal data is freely available on the internet criminals are able to target the most vulnerable including the elderly and those with dementia, but anyone who uses the internet may fall prey. The scale of loss can range from a few pounds for a premium rate call up to someone's entire life savings, pension or home. Perpetrators, it seems, often based abroad, have realised that the chances of being caught are small and that police find it difficult to investigate.

We continually work to promote awareness and help to stop people falling for scams. We took part in Scams Awareness Month in July 2015 and we have worked with Age UK and HCC's Trading Standards service, Community Safety and police to share resources. We have visited several vulnerable groups to give presentations. We have been active on social media and in the local press and we have also had information stands in the local town centres. Local Members of Parliament, Sir Oliver Heald and Peter Lilley, were also made aware of the campaign and the need for more action.

Although it is too soon to tell what effect the awareness campaign has had, or identify what has worked, there is already some anecdotal evidence. Members of the public who have been in touch say that they are aware of the dangers and want to know how they can protect themselves and their families. Publicity, nationally and in the local newspapers, has raised the profile of the issue and the reporting of fraud (as measured by Action Fraud) shows a considerable increase for Hertfordshire (the figures are not broken down by district). However, it is clear that more needs to be done to protect those who are most at risk.

Communication with local MPs

We have had productive visits from both local MPs mentioned above, discussing a variety of issues, and instigated a new two way referral system between them and ourselves.

Energy issues

We bid for and won some funding from national Citizens Advice for Big Energy Saving Week in October 2015. This was a major campaign for the team. We held a pop-up shop for a week in Letchworth town centre and were able to educate local consumers on ways to save energy and how to switch energy supplier. Of those we helped switch that week the average saving was around £200!

Housing court fees

Possession action is often started quickly and the court fees add a substantial debt. Many people are entitled to remission from court fees if they make an application to the court themselves, but most debtors in possession hearings cannot claim fee remission. Mostly the landlord (or lender) pays when they issue a claim and then the court orders the tenant (or borrower) to pay that cost. Tenants (or borrowers) cannot resist paying costs unless they can show the landlord (or lender) did not comply with court rules.

A proposed change to court fees (announced in January 2015) would have resulted in further debt being added onto rent or mortgage arrears leaving families who are reliant on benefits in an even more precarious situation. The consultation proposed the fee to start court action be increased from £250 to £325. It was implemented in March 2016. The fee had already increased from £100 to £250 two years earlier. The fee to vary a possession order went from £80 to £155 and then to £255 two years later. The increase in fees followed legislation permitting the Ministry of Justice to charge Enhanced Court Fees – i.e. making a profit from the fee charges. Tenants who cannot meet their rent payments because of the impact of the benefits cap or the social sector rent restriction (also known as the 'bedroom tax'), despite making their very best efforts to do so, would be further penalised.

Some landlords bring action against tenants for arrears of £500. The tenant is usually ordered to pay their landlord's costs. If the cost of a possession claim is increased to £325, the tenant will be left with an additional debt of 65% of their rent arrears debt. If their arrears are £1,000, they will be liable for

32.5% of additional debt. For many benefit claimants, £325 is around four-and-a-half times a single person's weekly income (£72.40). For those on benefits who are ordered to clear their arrears at £3.70 per week, the minimum set by social security legislation, it will take almost 21 months to clear the court costs alone.

It could also be argued that an increase in court fees would lead social landlords to incur higher legal bills, restricting their ability to provide more social housing.

In addition to increased fees, the recent announcement confirming 86 court closures are to go ahead (including two neighbouring County Courts) suggests that tenants and mortgage borrowers will face further challenges obtaining access to justice.

Sue Fuller, the Court Desk worker, submitted responses to the two Ministry of Justice consultations in February and September 2015 and a response to a Parliamentary inquiry in September 2015. We supported Sue with a press release, by producing a Local Action Report Form and completing a report later in the year. Sue wrote a briefing paper for the MPs' visits in 2015. It was a really important issue and we put a lot of time and effort into it. Unfortunately, the changes went ahead anyway.

Tax Credits

We worked on a campaign relating to the proposed changes to tax credits and the impact on our clients; the changes were later abandoned by the government!

Consumer

We campaigned on Consumer issues (with a focus at the end of 2015 on promoting the new Consumer Rights Act which came into force on 1 October 2015) via social media and local press coverage. We took part in National Consumer Week during October 2015 distributing a handy pocket size 'Know your new rights' leaflet via our waiting rooms. We also held a stall in Hitchin market place in December to tie in with Christmas shopping and budgeting tips for Christmas 2016.

Welfare Rights

We interviewed four of our Welfare Rights caseworker's clients and presented the findings in a report for the Letchworth Garden City Heritage Foundation, which funds the post. This helped back the case for continued funding of the project.