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Response to Ofwat's consultation on the Debt Guidelines.

Landlord Tap Limited welcome the opportunity to respond to Ofwat's consultation on the proposed changes to their 'Guidelines for water companies in supporting residential customers pay their bill, access help and repay debts'. Our response is entirely in relation to Guideline 1.2 and data sharing.

Landlord Tap Ltd was set up by the water industry to deliver a commitment the industry made to the Government to provide a single, national website for landlords to provide details of those responsible for the payment of charges.

Early provision of such information ensures customers receive their bill shortly after they occupy and enables them to engage in conversations about payment plans and appropriate tariffs prior to the build-up of debt. This is particularly helpful for those customers who have limited income or are in need of additional help or support. Findings from two water companies show that, where information is received through the portal, tenants are less likely to have bad debt and that on average bad debt is 50% lower than for other customers.

Ofwat's changes to the Guidelines endorse what the industry is currently doing. We would like to take a step further and work with Ofwat and Defra to deliver the recommendation recently made by the Consumer Council for Water, that is, to introduce the regulations requiring landlords provide details of those responsible for the payment of charges in England as they are required to do in Wales.

The English government considered introducing the regulations contained within in the Flood and Water Management Act 2010 however, when these regulations were being consulted on in 2013, most landlord organisations and representative bodies called for a voluntary rather than a regulatory approach. They argued that their members would be willing to work with the water sector to agree a proportionate approach to information sharing, which would make further regulation unnecessary. At that time the Government wished to reduce the amount of regulation and agreed to try this approach and helped to launch the initiative by writing to tell landlords and their representative bodies about Landlord Tap and encourage them to use it.

The benefits seen to date are a good endorsement of Landlord Tap and its work with water companies, landlords and their managing agents. However, the uptake of the portal by landlords needs to be much higher if it is to improve the identification of customers in need of financial support and keep bills affordable.

In response to research, we set up an industry working group to share best practice for promoting and marketing the service, we increased our marketing and communications activity to raise awareness of the service amongst potential users, we redesigned the portal

to streamline the input of data and we added an API (an interface which enables property owners and their agents to export files to the portal without having to re-key data into the website). However, transactions are only a fraction of what they could be. Latterly we have opened our API channel to companies who capture and share information relating to house moves within both the tenanted and owner occupier sectors.

Research shows that many of the landlords who use our service are those who were already communicating tenancy changes via paper and who see the benefits of switching to electronic communications. Some landlords who refuse to use the service, inform us that there is no statutory requirement for them to do so, and say that they see it as 'a further administrative burden imposed on the rental sector by the Government'.

Landlord Tap would welcome Ofwat's support, and the opportunity to work with Defra, to introduce S45 of the Flood and Water Management Act 2010.

The remainder of our response provides some more information on the benefits and challenges we have experienced and further opportunities for data sharing which will benefit customers.

The introduction of the regulations in Wales has increased contact with the tenant population.

In Wales, Registered Social Landlord's and other Housing Organisations were slow to engage with the requirements of S45 but are now onboard. In England some of these organisations use Data Protection Regulations as the reason for not sharing details of their tenants even though we have shared the fact that the Information Commissioner recognises that Water Companies have a legitimate purpose for the collection of the data. Other housing bodies are willing to share however, the IT development work required to set up the connection to Landlord Tap ranks low against their other priorities, many of which are mandatory. We would welcome any assistance from Ofwat and Defra to raise this as a priority with the Ministry of Housing, Communities and Local Government

Landlords and letting agents who rent properties on an assured shorthold tenancy in England or an occupation contract in Wales, are legally required to protect any tenancy deposits taken (also known as security deposits) in a government authorised tenancy deposit scheme. A simple question at the end of the deposit registration process asking if the landlord wished to share this information with the company responsible for billing the tenant for water and sewerage charges could provide a significant volume of information to water companies. For all landlords, this would eliminate the need to re-enter data to another system. The tenant deposit protection scheme is regulated by the Ministry of Housing, Communities and Local Government. Again, any assistance Ofwat and Defra could give to raising this as a priority would be very helpful.

There is increasing evidence that improving data and data sharing keeps bills more affordable; the receipt of information on tenancy changes from third parties enables Water Companies to bill for services where the tenant has failed to inform the water company that they are in occupation. The more customers companies can bill, the less will be the average charge, which is a benefit to all. The industry also expects this will lead to a reduction in the number of properties they have recording as 'empty'.

July 21.