

Consultation on the Housing Ombudsman Service Business Plan 2024 – 25

National Housing Federation submission in response to the Housing Ombudsman Service

April 2024

Summary

The National Housing Federation (NHF) is the voice of housing associations in England, representing 570 housing association members that provide homes for around six million people.

Housing associations are committed to providing safe, quality homes for all residents. We welcome the opportunity to respond to this consultation on the Housing Ombudsman's Business Plan 2024-25.

Our views on the consultation can be summarised as follows:

- We support the Housing Ombudsman's focus on improving local complaint handling and the provision of tools to support learning within the sector.
- We also acknowledge the Housing Ombudsman's need to respond to increased demands on service and changes to systems.
- However, we outline our concerns regarding the proposal to introduce a 'polluter pays' model within the fees regime. These include the unintended consequences of implementing the model based on maladministration rates.
- We highlight the potential impact of the increased fee level for housing associations and underline the importance of the Housing Ombudsman Service to demonstrate value for money.
- We also offer suggestions to addressing barriers to effective complaint handling, such as improving service standards, providing sectoral guidance, and ensuring greater transparency to moderation, appeals and compensation processes.
- We welcome the opportunity to work with the Housing Ombudsman Service to ensure residents are empowered and have access to quick and fair redress.

Introduction

The National Housing Federation (NHF) is the voice of housing associations across England, representing 570 housing association members that provide homes to around six million people.

Housing associations are committed to providing safe, quality homes for all residents and we welcome this consultation and the opportunity to feed into the Housing Ombudsman Business Plan 2024-25.

We support the introduction of stronger and more proactive regulation, alongside legal duties for registered providers to comply with the Complaint Handling Code. We believe the provisions within the Code will support clear and consistent complaint handling processes within the sector and improve access to swift redress for tenants.

Through the [Better Social Housing Review action plan](#), the social housing sector is taking action to ensure that residents always receive the high-quality service they deserve. The plan sets out how housing associations will deliver against the independent panel's original report recommendations, including through partnerships with residents and frontline staff to develop and apply new standards, and by defining an excellent maintenance and repairs process.

Our members are also working in partnership with residents to continue to seek ways to improve and simplify processes to ensure complaints are resolved as soon they are raised. This includes updating complaint policies and gathering feedback from residents to identify areas for improvement. Housing associations are actively highlighting their complaints policies and complaints handling processes, aiming to make them easily accessible across a range of platforms such as their websites, social media, and other communication channels. To support all this, our members have also been increasing their staffing levels within complaints handling functions.

Where complaints are escalated, our members work collaboratively with the Housing Ombudsman to swiftly resolve any disputes. The sector welcomes and actively incorporates the insights offered by the Housing Ombudsman to improve their complaint handling processes.

Improving local complaint handling

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As a sector, we are committed to putting things right when things go wrong. That's why we support the Housing Ombudsman's focus on improving local complaint handling by monitoring compliance with the statutory Complaint Handling Code and the provision of learning tools to support learning within the sector.

Barriers to effective complaint handling

Housing associations are committed to delivering a good quality service to their residents including ensuring that complaints are dealt with promptly and effectively.

Nonetheless, our members have identified several barriers hindering the effective resolution of complaints. While landlords are actively bolstering their complaint resolution teams and improving processes, they face significant challenges. These include shortages in materials and skilled staff causing delays in repairs, growing and competing pressures on frontline staff, and increasing expectations.

It is right that residents have high expectations, and our members will always strive to fulfil them. However, heightened media scrutiny, coupled with the surge of 'no win, no fee' solicitors have in some instances contributed to a breakdown in trust between resident and landlord, sometimes evident as early as stage 1 of the complaints process, often leading to an unnecessary escalation of complaints.

Our members have also reported residents' expectations regarding compensation levels can surpass the costs of delivering the service. This is further exacerbated by the difference in compensation levels offered by the Housing Ombudsman Service.

We would welcome the opportunity to work with the Housing Ombudsman Service to set clear expectations regarding resolutions that landlords can provide. By fostering a shared understanding, disputes can be mitigated, and overall satisfaction improved.

For example, members would appreciate earlier access to the Ombudsman service within a complaints process to enable some cases to be resolved more swiftly. NHF members have also raised concerns over the number of orders issued in some cases, reporting that their sheer number can at times lead to a duplication of efforts.

We would also welcome detailed guidance on compensation parameters to support landlords when providing financial remedies. Greater alignment between compensation levels set by the Housing Ombudsman Service and those offered by landlords might help to manage expectations and help resolve cases more swiftly.

Learning tools to address barriers

Our members welcome the valuable insights offered by the Housing Ombudsman Service, for example, through the Ombudsman's Centre for Learning. We support the proposal that the range of tools proposed should be available for both staff and residents to use. Our members have highlighted that they would find more webinars helpful, as they offer a platform for interacting with the Housing Ombudsman Service.

Our members would also appreciate additional examples of best practice, including a streamlined complaint response template, and guidance for residents on the types of evidence to include when raising a complaint. We also believe there is merit in establishing dedicated regional contacts to enable improved collaboration between landlords and the Housing Ombudsman Service.

Furthermore, greater transparency in the service's approach to moderation, appeals and compensation will help facilitate learning and improvement within the sector. Our members would appreciate the Housing Ombudsman establishing clearer processes and terminology, accompanied by detailed guidance to navigate these processes effectively.

Changes to the fees regime

We acknowledge that the Housing Ombudsman needs to respond to increased demands on its service and changes to its systems. However, the proposed fee increase will inevitably mean diverting resources away from delivery in order to meet the higher fee. The sector spent £4.3bn on day-to-day maintenance in 2023, an increase of £1bn on the equivalent 2021 figure, with much of this increase driven by increased demand for reactive repairs and dealing with damp and mould.

In 2023-24, rent increases were capped at 7%. The below inflation uplift has placed additional strain on housing associations already facing significant pressure to deliver additional services, invest in the safety and efficiency of existing homes, improve the quality of services to residents, and build much needed new social homes.

Considering this, it is crucial for the Housing Ombudsman Service to effectively demonstrate value for money in fulfilling its duties. Our members have highlighted growing concerns regarding the length of time it takes to address complaints and

failures by the Housing Ombudsman Service to meet its own service standards. Our members seek greater transparency regarding the Housing Ombudsman's reporting on service standards and plans for improvement, including reassurances around timescales and the service's capacity.

Polluter pays

We disagree with the proposal to introduce a form of a 'polluter pays' model within the fees regime.

Although we do not agree with the introduction of a polluter pays model, should one be implemented we would have concerns about it being based on the current method of measuring maladministration. The maladministration rate is determined by the number of findings of severe maladministration, maladministration and service failure, divided by the overall number of findings. As such, it is not determined by a landlord's size and therefore does not reflect how that landlord is performing once size is taken into account.

However, the current fee regime already attracts a higher level of fees from larger landlords, reflecting their size and likely proportionate higher level of complaints.

Finally, there is already a clear set of incentives for landlords to improve their complaints handling, including improving satisfaction, improving efficiency, and avoiding having to pay compensation. As such, there is no need for a further financial incentive to reduce complaints.

Business plan 2024-25

We support the strategic priorities and outcomes outlined in the Housing Ombudsman's draft Business Plan. Specifically, we welcome activities aimed at improving local complaint handling and exploring alternative approaches by the Housing Ombudsman service to achieve earlier resolution, such as referring cases back to landlords where appropriate. Additionally, our members would welcome the continued support of the Housing Ombudsman Service throughout the investigation phases. We believe this collaborative approach will strengthen landlord-resident relationships, facilitate efficient complaint resolution, and provide landlords with valuable learning opportunities.

We support the strategic objective of strengthening the framework for the Ombudsman's investigations, including delivering proportionate and timely complaint

handling. However, our members have expressed concerns regarding the proposed casework targets for 2024-25, which suggest resolving 30% of all cases within six months and 80% cases within twelve months. The duration of determinations significantly affects landlords' relationship with their residents. While a case awaits determination by the Housing Ombudsman Service, the resident who made the complaint remains dissatisfied, which is attributed to the landlord. Furthermore, lengthy determinations impact landlord's annual performance reporting. Often, the determination outcomes are related to issues arising from the previous year. This creates confusion for both landlord's boards and their residents, especially when service improvements have been implemented since the initial issues arose.

Conclusion

We welcome this consultation and the opportunity to feed into the Housing Ombudsman Service Business Plan 2024-25. In our response, we acknowledge that the Housing Ombudsman needs to respond to increased demands on its service. Nevertheless, we outline the additional strain housing associations are already facing and set out our concerns regarding the proposal to introduce a 'polluter pays' model within the fees regime. We also emphasise the importance of the Housing Ombudsman ensuring value for money, considering the proposed fee increase. This can be achieved by enhancing transparency and providing reassurances regarding its capacity to effectively deliver its services.

We look forward to working in partnership with the Housing Ombudsman Service to achieve the ambitions of social housing regulatory reform to ensure residents are empowered and have access to quick and fair redress.